

# Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

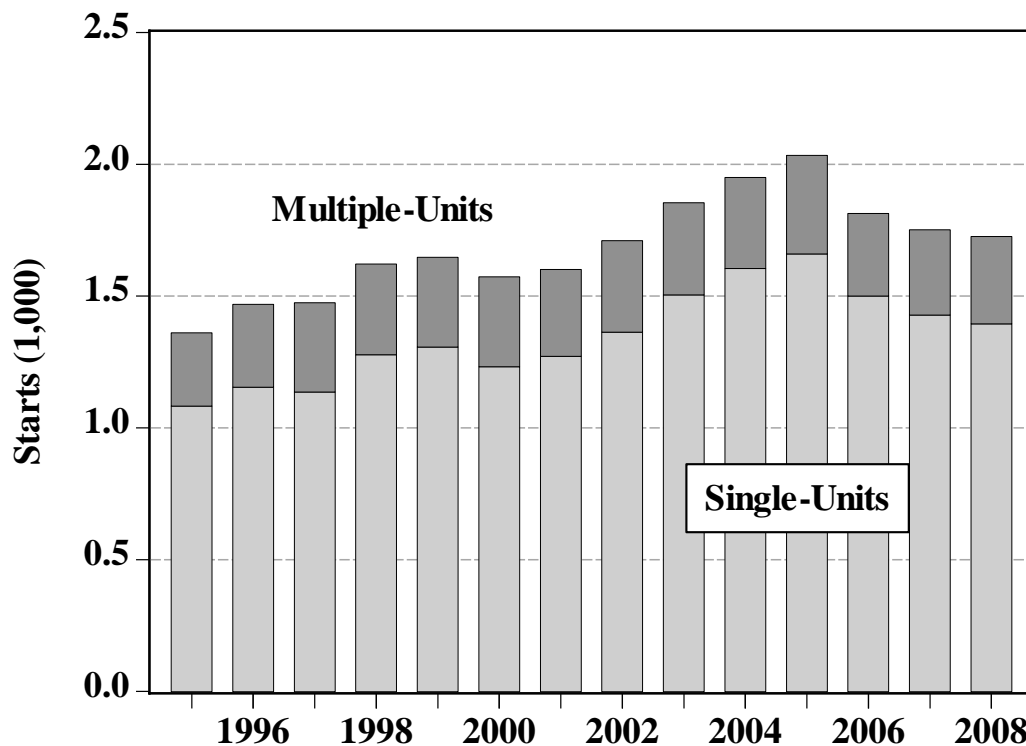
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- Forecast 2005-2008
- IT Investment: Will the Glory Days Ever Return?
- Alternative Forecasts

## U.S. Housing Starts



Source: Global Insight

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**IDAHO  
ECONOMIC  
FORECAST  
2005 - 2008**

State of Idaho  
**DIRK KEMPTHORNE**  
Governor

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## PREFACE

Idaho's economy continues to grow and evolve as it enters the 21<sup>st</sup> Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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## INTRODUCTION

The national forecast presented in this publication is the June 2005 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the March 2005 Global Insight baseline national forecast.

This *Forecast's* cover illustrates what is expected to happen to the nation's red-hot housing sector over the next few years. Strong growth in recent years has led to speculation that a "housing bubble" has formed, and this bubble could burst in the near future. At this time it appears the housing sector will not collapse, but it will instead retreat gradually from its recent apex. As the chart shows, U.S. housing starts are expected to peak at about 2 million units this year, decline to 1.8 million units next year, and fall to about 1.7 million units in both 2007 and 2008.

## FEATURE

Business spending on computers, communications equipment, and software has featured prominently in the ups and downs of U.S. economic growth over the last decade. While the growth in spending on these items has improved during the recovery and expansion, it has not regained the rapid pace it enjoyed in the late 1990s. This issue's feature article explores whether spending on these goods can accelerate to its previous speed. Fittingly, the article is entitled, "IT Investment: Will the Glory Days Ever Return?" The article is authored by Mark Doms, who is a Senior Economist with the San Francisco Federal Reserve Bank.

## THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1991 to 2008 and for every quarter from 2002 through 2007. The solution of the Idaho Economic Model (IEM) for this forecast begins with the second quarter of 2005.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

## CHANGES

The Idaho Department of Commerce and Labor provided the historical Idaho nonfarm employment data appearing in this forecast. The Idaho Division of Financial Management (DFM) has seasonally adjusted the data. The data consists of final employment estimates through the fourth quarter of 2004 and preliminary data for the first quarter of 2005. The historical data shows Idaho nonfarm employment was 594,479 in the third quarter of 2004 and 597,762 in the first quarter of 2005. Both were much higher than had been forecast in April 2005. Specifically, actual nonfarm employment in last year's fourth quarter was about 2,900 higher than the projected amount of 591,575. Actual nonfarm employment in this year's first quarter was about 4,200 above the previous forecast of 593,524.

The U.S. Department of Commerce's Bureau of Economic Analysis (BEA) has accelerated its state quarterly personal income releases by a month. This move has allowed DFM to incorporate more up-to-



date historical personal income data into the forecast. In the past, these estimates were released in January, April, July, and October of each year. Under this schedule the income data were nearly out-of-date when a forecast was produced. For example, the April *Idaho Economic Forecast* traditionally used January personal income data that was nearly three months old. In late April, the BEA would release its next round of estimates. As a result, the income data published by DFM in its April *Forecast* was soon out-of-date.

Under the new schedule BEA releases its state quarterly personal income numbers in March, June, September, and December. This schedule allows DFM to incorporate March data in the April *Forecast*, June data in the July *Forecast*, and September data in the October *Forecast*. As a result, the income data will be barely a month old when the *Idaho Economic Forecast* is released, and it will not be updated for a couple of months. For example, the April *Idaho Economic Forecast* will now use the personal income data released in March, and not the January data. The one exception to the accelerated schedule is the January forecast. Because of scheduling restrictions, this forecast is completed in early December. The BEA releases the income numbers in late December, so they cannot be incorporated into this forecast. In its place, DFM plans to use BEA's September personal income estimates. While not perfect, it is the only viable option.

The tables in this forecast include BEA's June 2005 estimates of Idaho quarterly personal income through the first quarter of 2005. The BEA will release its next Idaho personal income estimates, which run through the second quarter of 2005, in late September 2005. The new data will be incorporated into the October 2005 *Idaho Economic Forecast*.

The *Idaho Economic Forecast* is available on the Internet at [http://dfm.idaho.gov/Publications/Econ\\_Publications.html](http://dfm.idaho.gov/Publications/Econ_Publications.html). Readers with any questions should contact Derek Santos at (208) 334-2906 or at [dsantos@dfm.idaho.gov](mailto:dsantos@dfm.idaho.gov).

## SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at  
[http://dfm.idaho.gov/Publications/Econ\\_Publications.html](http://dfm.idaho.gov/Publications/Econ_Publications.html).

Printed copies of the *Idaho Economic Forecast* may be requested by contacting:

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## EXECUTIVE SUMMARY

The employment surge at the end of last year and the beginning of this year has once again raised expectations for the Idaho economy. Estimates based on data provided by the Idaho Department of Commerce and Labor show Idaho nonfarm employment expanded at a 2.8% annual pace in the fourth quarter of 2004 and at a 2.2% rate in the first quarter of 2005. At this pace, Idaho nonfarm employment should have crossed the 600,000-job threshold this spring, which is well ahead of schedule. Idaho's nonfarm employment rally reflects the strong showings of several sectors. The most noteworthy is construction. According to the new data, Idaho construction employment achieved an astonishing 11.9% growth rate in both the last quarter of 2004 and the first quarter of 2005. The construction sector's strength was complimented by better-than-anticipated employment growth in the state's services and government employment categories. Idaho nominal personal income also spiked late last year. According to the U.S. Department of Commerce's Bureau of Economic Analysis, Idaho nominal personal income advanced at a 15.6% annual rate in the last quarter of 2004. This income flood was largely the result of late-year distribution of bonuses and raises. This can be seen in the wage and salaries portion of personal income that increased a whopping 14.7% in last year's fourth quarter. Idaho personal income also benefited from the influx of dividends, interest, and rent that increased at a nearly 22% annual pace in the same quarter. Other sources that contributed to fourth quarter personal income growth include government transfers to individuals (9.7%) and other labor income (13.8%). The current Idaho outlook is the result of two major factors. First, Idaho's recent strong economic growth has raised the starting points for the forecasts of nonfarm employment and nominal personal income relative to their counterparts in the April 2005 *Idaho Economic Forecast*. Second, the fundamentals fueling the state's economy have change little since the previous forecast. The combination of these two factors jump-starts the state's near-term economic forecast. Specifically, Idaho nonfarm employment grows by 2.5% in 2005, which is about one-half percentage point higher than in the previous forecast. Idaho nominal personal income is projected to rise 6.5% this year compared to the previous forecast's 5.3%. After this year, both Idaho nonfarm employment and personal income should rise roughly in line with their respective counterparts from the previous forecast.

The U.S. economy is expected to transition from overachiever to slight underachiever during the next few years. This can be seen in the real GDP data. It is anticipated real GDP will advance slower this year than last. Specifically, real GDP is expected to rise 3.5%, which is still slightly higher than its potential. Beginning in 2006, real GDP growth is forecast to slip to around 3% for a couple of years, which is slightly below its potential. It needs to be pointed out the 3% growth anticipated in 2006 and 2007 may be low compared to the two previous years, but is still stronger than growth experienced in the first years of this decade. It also needs to be stressed the economy will slow, but it will not stall nor retreat during the forecast period. Real output growth is expected to rally in 2008 to 3.3%, bringing it back to its potential. The economy's recent and near-term future performance is linked to the housing market. The combination of strong demand and low interest rates have resulted in a red-hot housing market that is on track to hit 2 million starts this year for the first time since 1978 and average existing home prices are expected to appreciate a healthy 7.2%. Unfortunately, it appears the housing sector is near its peak. Fortunately, the national housing market does not appear to be on the verge of a collapse. While several regions are at risk of a correction, national housing starts are expected to experience an orderly decline from their recent peak. National home prices will advance slower than in the last few years, but not retreat. As a result, the housing sector is not expected to be the growth engine it has been in recent years. However, neither is it anticipated to be a major drag on the economy.

**IDAHO ECONOMIC FORECAST  
EXECUTIVE SUMMARY  
JULY 2005**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>GDP (BILLIONS)</b>											
Current \$	8,747	9,268	9,817	10,128	10,487	11,004	11,735	12,446	13,075	13,741	14,515
% Ch	5.3%	6.0%	5.9%	3.2%	3.5%	4.9%	6.6%	6.1%	5.1%	5.1%	5.6%
2000 Chain-Weighted	9,067	9,470	9,817	9,891	10,075	10,381	10,842	11,226	11,565	11,923	12,319
% Ch	4.2%	4.4%	3.7%	0.8%	1.9%	3.0%	4.4%	3.5%	3.0%	3.1%	3.3%
<b>PERSONAL INCOME - CURR \$</b>											
Idaho (Millions)	27,287	29,068	31,290	33,054	34,381	35,409	37,874	40,322	42,585	44,887	47,565
% Ch	7.6%	6.5%	7.6%	5.6%	4.0%	3.0%	7.0%	6.5%	5.6%	5.4%	6.0%
Idaho Nonfarm (Millions)	26,350	28,054	30,448	32,039	33,411	34,512	36,921	39,296	41,522	43,773	46,443
% Ch	7.1%	6.5%	8.5%	5.2%	4.3%	3.3%	7.0%	6.4%	5.7%	5.4%	6.1%
U.S. (Billions)	7,423	7,802	8,430	8,724	8,879	9,162	9,690	10,319	10,913	11,491	12,170
% Ch	7.3%	5.1%	8.0%	3.5%	1.8%	3.2%	5.8%	6.5%	5.7%	5.3%	5.9%
<b>PERSONAL INCOME - 2000 \$</b>											
Idaho (Millions)	28,429	29,788	31,289	32,376	33,203	33,559	35,122	36,559	37,900	39,206	40,664
% Ch	6.6%	4.8%	5.0%	3.5%	2.6%	1.1%	4.7%	4.1%	3.7%	3.4%	3.7%
Idaho Nonfarm (Millions)	27,452	28,748	30,447	31,382	32,266	32,708	34,238	35,629	36,954	38,232	39,705
% Ch	6.1%	4.7%	5.9%	3.1%	2.8%	1.4%	4.7%	4.1%	3.7%	3.5%	3.9%
U.S. (Billions)	7,734	7,996	8,429	8,545	8,575	8,683	8,986	9,356	9,712	10,036	10,404
% Ch	6.4%	3.4%	5.4%	1.4%	0.3%	1.3%	3.5%	4.1%	3.8%	3.3%	3.7%
<b>HOUSING STARTS</b>											
Idaho	10,106	10,335	11,468	12,179	13,189	16,321	18,525	20,604	18,181	17,838	17,239
% Ch	14.1%	2.3%	11.0%	6.2%	8.3%	23.7%	13.5%	11.2%	-11.8%	-1.9%	-3.4%
U.S. (Millions)	1.621	1.647	1.573	1.601	1.710	1.854	1.950	2.034	1.814	1.752	1.726
% Ch	9.9%	1.6%	-4.5%	1.8%	6.8%	8.4%	5.2%	4.3%	-10.8%	-3.4%	-1.5%
<b>TOTAL NONFARM EMPLOYMENT</b>											
Idaho	520,477	538,102	558,577	568,013	567,999	572,494	587,989	602,440	612,863	624,740	637,720
% Ch	2.6%	3.4%	3.8%	1.7%	0.0%	0.8%	2.7%	2.5%	1.7%	1.9%	2.1%
U.S. (Thousands)	125,924	128,992	131,792	131,833	130,345	129,999	131,475	133,701	135,658	136,986	138,364
% Ch	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.5%	1.0%	1.0%
<b>SELECTED INTEREST RATES</b>											
Federal Funds	5.4%	5.0%	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	4.0%	4.2%	4.5%
Bank Prime	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	7.0%	7.2%	7.5%
Existing Home Mortgage	7.1%	7.3%	8.0%	7.0%	6.5%	5.7%	5.7%	6.0%	6.5%	6.6%	7.0%
<b>INFLATION</b>											
GDP Price Deflator	1.1%	1.4%	2.2%	2.4%	1.7%	1.8%	2.2%	2.4%	2.0%	1.9%	2.2%
Personal Cons Deflator	0.9%	1.7%	2.5%	2.1%	1.4%	1.9%	2.2%	2.3%	1.9%	1.9%	2.2%
Consumer Price Index	1.5%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	2.9%	2.0%	1.8%	2.1%

**National Variables Forecast by GLOBAL INSIGHT  
Forecast Begins the SECOND Quarter of 2005**

**IDAHO ECONOMIC FORECAST  
EXECUTIVE SUMMARY  
JULY 2005**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP (BILLIONS)</b>												
Current \$	12,192	12,367	12,537	12,689	12,850	13,010	13,142	13,299	13,464	13,648	13,827	14,023
% Ch	6.7%	5.9%	5.6%	4.9%	5.2%	5.1%	4.1%	4.9%	5.0%	5.6%	5.3%	5.8%
2000 Chain-Weighted	11,089	11,175	11,280	11,362	11,444	11,527	11,601	11,687	11,771	11,875	11,970	12,075
% Ch	3.5%	3.1%	3.8%	3.0%	2.9%	2.9%	2.6%	3.0%	2.9%	3.6%	3.2%	3.6%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	39,725	40,002	40,569	40,991	41,733	42,319	42,911	43,376	43,965	44,547	45,197	45,840
% Ch	4.3%	2.8%	5.8%	4.2%	7.4%	5.7%	5.7%	4.4%	5.5%	5.4%	6.0%	5.8%
Idaho Nonfarm (Millions)	38,674	38,997	39,471	40,043	40,692	41,256	41,835	42,305	42,831	43,437	44,090	44,732
% Ch	4.2%	3.4%	5.0%	5.9%	6.6%	5.7%	5.7%	4.6%	5.1%	5.8%	6.1%	5.9%
U.S. (Billions)	10,100	10,258	10,394	10,525	10,700	10,846	10,988	11,116	11,255	11,408	11,568	11,733
% Ch	3.2%	6.4%	5.4%	5.1%	6.8%	5.6%	5.3%	4.7%	5.1%	5.5%	5.7%	5.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	36,347	36,305	36,696	36,889	37,391	37,728	38,123	38,358	38,697	39,017	39,385	39,724
% Ch	2.2%	-0.5%	4.4%	2.1%	5.6%	3.7%	4.3%	2.5%	3.6%	3.4%	3.8%	3.5%
Idaho Nonfarm (Millions)	35,385	35,393	35,703	36,036	36,458	36,780	37,167	37,412	37,698	38,045	38,420	38,763
% Ch	2.1%	0.1%	3.6%	3.8%	4.8%	3.6%	4.3%	2.7%	3.1%	3.7%	4.0%	3.6%
U.S. (Billions)	9,241	9,310	9,402	9,472	9,587	9,670	9,762	9,830	9,906	9,992	10,080	10,168
% Ch	1.1%	3.0%	4.0%	3.0%	4.9%	3.5%	3.9%	2.8%	3.1%	3.5%	3.6%	3.5%
<b>HOUSING STARTS</b>												
Idaho	22,945	21,214	19,694	18,563	18,265	18,182	18,147	18,128	18,082	17,929	17,742	17,599
% Ch	55.8%	-26.9%	-25.7%	-21.1%	-6.3%	-1.8%	-0.8%	-0.4%	-1.0%	-3.4%	-4.1%	-3.2%
U.S. (Millions)	2,084	2,073	2,039	1,940	1,873	1,819	1,791	1,771	1,758	1,751	1,750	1,747
% Ch	24.5%	-2.1%	-6.5%	-18.1%	-13.1%	-11.0%	-6.1%	-4.3%	-2.9%	-1.6%	-0.3%	-0.7%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	597,762	601,288	604,241	606,468	609,146	611,595	614,098	616,612	619,617	623,105	626,486	629,754
% Ch	2.2%	2.4%	2.0%	1.5%	1.8%	1.6%	1.6%	1.6%	2.0%	2.3%	2.2%	2.1%
U.S. (Thousands)	132,822	133,460	133,961	134,560	135,051	135,515	135,885	136,183	136,460	136,829	137,149	137,508
% Ch	1.6%	1.9%	1.5%	1.8%	1.5%	1.4%	1.1%	0.9%	0.8%	1.1%	0.9%	1.1%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	2.5%	2.9%	3.4%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.2%	4.3%	4.3%
Bank Prime	5.4%	5.9%	6.4%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.2%	7.3%	7.3%
Existing Home Mortgage	5.8%	5.9%	6.0%	6.2%	6.4%	6.5%	6.5%	6.5%	6.5%	6.6%	6.7%	6.7%
<b>INFLATION</b>												
GDP Price Deflator	3.2%	2.4%	1.7%	1.9%	2.2%	2.1%	1.5%	1.8%	2.1%	1.9%	2.0%	2.2%
Personal Cons Deflator	2.1%	3.3%	1.4%	2.1%	1.8%	2.0%	1.4%	1.9%	1.9%	2.0%	2.1%	2.2%
Consumer Price Index	2.4%	4.4%	1.2%	2.2%	1.8%	2.1%	1.2%	1.8%	1.9%	1.9%	2.0%	2.2%

**National Variables Forecast by GLOBAL INSIGHT  
Forecast Begins the SECOND Quarter of 2005**

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the Second Quarter of 2005 through the Fourth Quarter of 2008**

The U.S. economy is expected to transition from overachiever to slight underachiever during the next few years. This can be seen in the real GDP data. Last year the nation's inflation-adjusted output increased by 4.4%. Not only was it the strongest showing so far this decade, it was well above its estimated potential pace of 3.3%. It is anticipated real GDP will advance slower this year than last. Specifically, real GDP is expected to rise 3.5%, which is still slightly higher than its potential. Beginning in 2006, real GDP growth is forecast to slip to around 3% for a couple of years, which is slightly below its potential. It needs to be pointed out the 3% growth anticipated in 2006 and 2007 may be low compared to the two previous years, but is still stronger than growth experienced in the first years of this decade. It also needs to be stressed the economy will slow, but it will not stall nor retreat during the forecast period. Real output growth is expected to rally in 2008 to 3.3%, bringing it back to its potential.

The economy's recent and near-term future performance is linked to the housing market. The combination of strong demand and low interest rates have resulted in a red-hot housing market that is on track to hit 2 million starts this year for the first time since 1978 and average existing home prices are expected to appreciate a healthy 7.2%. Unfortunately, it appears the housing sector is near its peak. This is because housing prices cannot rise at present rates indefinitely, since they will eventually move out of line with the fundamentals of income and interest rates. There is evidence this may be taking place.

The National Association of Realtors produces an affordability index for single-family homes. It measures the degree to which a family earning the median income can qualify for a conventional mortgage on an existing median-priced home. An index of 1.0 means the median-income family just qualifies for the mortgage; above 1.0 means it is more than qualified; and less than 1.0 means it does not qualify. The good news is the index is currently above 1.0. As a result, housing is more affordable than at the time of the last major national housing downturn in the late 1980s. The bad news is the index has fallen since the mid-1990s, suggesting housing is becoming less affordable. Despite this, the national housing market does not appear to be on the verge of a collapse.

Of course, regional housing markets performance may vary from the national housing markets. For example, the affordability index for the West has dropped well below 1.0. This is because the West includes California, which has some of the nation's hottest and most expensive real estate markets. Given this situation, families have increasingly turned to unconventional methods for purchasing homes. One popular vehicle is the interest-only mortgage that lowers initial mortgage payments by back-loading principal repayment. The Mortgage Bankers' Association found interest-only mortgages accounted for 17% of all mortgage loans in the second half of 2004, and some estimate these mortgages accounted for 60% of mortgage loans in California in early 2005.

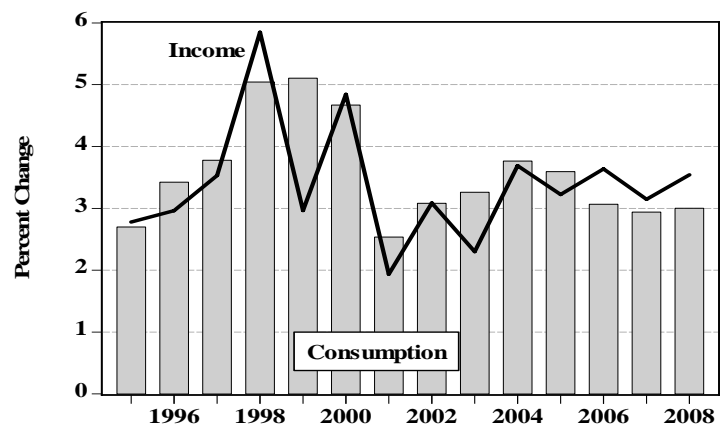
While several regions are at risk of a correction, national housing starts are expected to experience an orderly decline from their recent peak. National home prices will advance slower than in the last few years, but not retreat. As a result, the housing sector is not expected to be the growth engine it has been in recent years. However, neither is it anticipated to be a major drag on the economy.

## SELECTED NATIONAL ECONOMIC INDICATORS

**Consumer Spending:** Real consumer spending is expected to advance more slowly over the forecast period than in recent years, but it will not retreat. Rising interest rates, higher tax burdens, high energy prices, and fewer mortgage refinancing cash-outs will restrain—but not derail—consumer spending this year. There is evidence this slowing has already begun. Real consumer spending growth has decelerated from a recent high of 5.1% in the third quarter of 2004 to 3.6% in the first quarter of 2005 and an estimated 3.2% in the second quarter of this year. Spending on light vehicles has recently stalled, a reflection of high energy costs and the apparent waning

appeal for larger SUVs. Real consumer spending growth is expected to slow from 3.8% in 2004 to 3.6% in 2005 and 3.1% in 2006. The expected cooling of the housing sector causes part of this slowing. New and existing home sales during the second half of this year are projected to decline, which will dampen real spending on home furnishings and equipment. Specifically, this category's real growth falls from almost 12% in 2004 to less than 6% in 2006. Home price appreciation, which has been white hot in several markets, is also expected to cool, and this will also have a dampening effect on consumer spending. It is anticipated the average price for an existing home, after rising 9.0% in 2004, will increase 7.2% this year, 3.0% next year, 2.2% in 2007, and 3.2% in 2008. As housing price gains decelerate, homeowners should become more reluctant to leverage their housing assets to continue their spending spree. In addition, consumers will not tap their bank accounts because the U.S. personal savings rate is virtually zero. And with the ratio of household debt to disposable income already at a record level, consumers are unlikely to turn to credit. As consumers watch their financing options dwindle, they will be forced to spend within their means. As a result, real consumer growth should more closely reflect real disposable income growth than it has in the recent past. Real spending grew faster than real disposable income in four of the five years from 2001 to 2005, but it is expected to grow slower than real disposable income in every year from 2006 to 2008. Again, real consumer spending growth is forecast to slow from its recent lofty base, but it will not retreat.

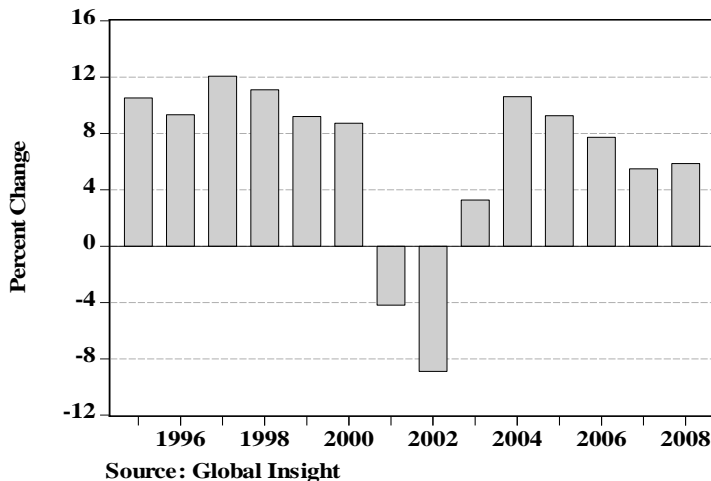
**U.S. Real Consumption and Disposable Income Growth**



Source: Global Insight

**Business Investment:** Many reports have focused on the impact of spending on office equipment and software and real business investment. This attention makes sense because business investments recent highlights and lowlights can be traced to spending on office equipment and software. For example, after shrinking in both 2001 and 2002 and posting a mediocre showing in 2003, real spending on equipment and software expanded 13.6% in 2004. Not surprisingly, total business investment retreated 4.2% in 2001 and 8.9% in 2002, eked out just 3.3% growth in 2003, and advanced 10.6% in 2004. With all the attention focused on the office equipment and software category, other business investment categories have been neglected. One of these is spending on nonresidential structures. Ironically, its recent history is similar to its office equipment and software brethren. Real spending on nonresidential structures shrank in 2001, 2002, and 2003, which also weighed down overall business investment. The question is whether structural investment will continue to hamper overall investment or fuel its future growth. It appears spending on structures will revive, but there are risks attached to this prognosis because nonresidential structural investment's road to recovery has been littered with disappointments. In September 2000—six months before the start of the most recent recession—real spending on nonresidential construction peaked. It then began a slide that continues to the present. This downturn

## Real Business Investment



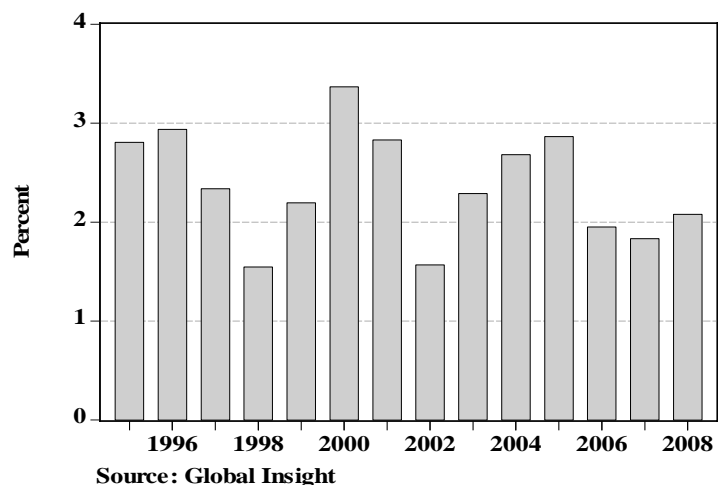
consists of two phases. Phase one is the downward slide that ended in the first quarter of 2003. Phase two began after that and is characterized by spending that oscillated around its bottom through the first quarter of 2005. However, nonresidential construction spending has recently shown signs that it has turned the corner to stronger growth. For example, nominal spending on nonresidential structures has been promising. The path that nonresidential construction is following over the current building cycle is a mirror image of its previous cycle. Namely, the pattern—a punishing downturn, followed by a long dormant period at the bottom, and finally a slow,

steady recovery—is typical of long-lived assets. A couple of factors should be key contributors to the nonresidential construction recovery. These are stronger manufacturing investment and commercial construction. According to the latest numbers, manufacturing construction spending is rebounding strongly, albeit from a low base. Likewise, commercial construction is making steady and broad-based gains. Since commercial construction lags developments in the housing market, it should post robust growth numbers for several quarters after the housing market peaks. Real investment in nonresidential structures is forecast to rise 2.4% this year, 7.9% next year, 4.4% in 2007, and 3.3% in 2008. Real spending on software and equipment is projected to increase 11.3% in 2005, 7.7% in 2006, 5.8% in 2007, and 6.7% in 2008. This strong showing will help real business investment grow faster than real GDP in each year of the forecast. Total business investment should expand a healthy 9.3% in 2005, 7.7% in 2006, 5.5% in 2007, and 5.9% in 2008.

**Inflation:** Inflation should remain contained over the forecast period. Evidence for this outlook can be seen in recent data on key inflation indicators that suggest top-line inflation has either peaked, or will peak shortly. The spring oil price surge seems to have been absorbed, which resulted in the price roll back of several downstream petroleum products. Likewise, prices for many other commodities have receded from their recent peaks. In particular, global steel prices are falling. For the manufacturing sector, this decline is probably a more important development than the recent dip in oil prices, since the cost pressures caused by the 80% surge

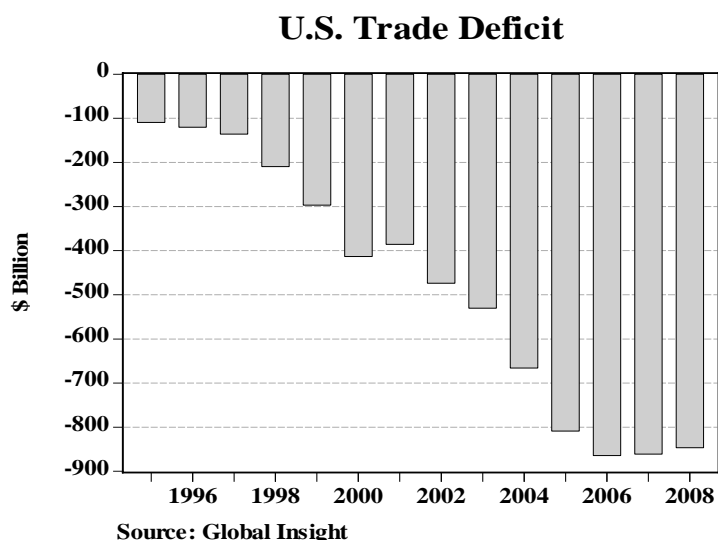
in steel prices across 2004 were more troublesome for many basic industries than the 50% jump in oil prices. Admittedly, it is awkward to down play the role of oil price increases when the spot price for oil crept above \$60 per barrel. Indeed, it serves as a reminder that risks associated with higher oil prices still remain. Energy markets are fragile, with market balances in both oil and natural gas markets currently being achieved through weaker demand growth and high prices, rather than an expansion of supply. In fact, with little spare production capacity, the price of oil should remain in the \$45-to-\$55

## Consumer Price Inflation





per barrel range. Of course, panic buying would push the price of oil even higher, as it did in June 2005. However, the economy would be resilient to such a price surge. For example, Global Insight has explored the impacts of oil prices climbing into the \$50-to-\$60 per barrel range and found high oil prices would not plunge the economy into a recession. In a separate analysis, Standard and Poor's Chief Economist, David Wyss, determined the price of oil will not be a problem until it reaches \$100 per barrel, and no one expects it to get near that level over the forecast period. One measure worth watching is employment cost because it drives core inflation (overall inflation less food and energy). Labor markets have been one area of consistently good news on inflation over the past year. Some acceleration in compensation costs and, in turn, unit labor costs is expected over the coming year. Specifically, employment costs are projected to rise 3.3% in 2005, 3.9% in 2006, 3.8% in 2007, and 3.9% in 2008. Over this same period core inflation is expected to grow between 2.2% and 2.5% per year. After spiking at 2.9% this year, overall consumer inflation should be around 2%, as energy prices gradually recede.



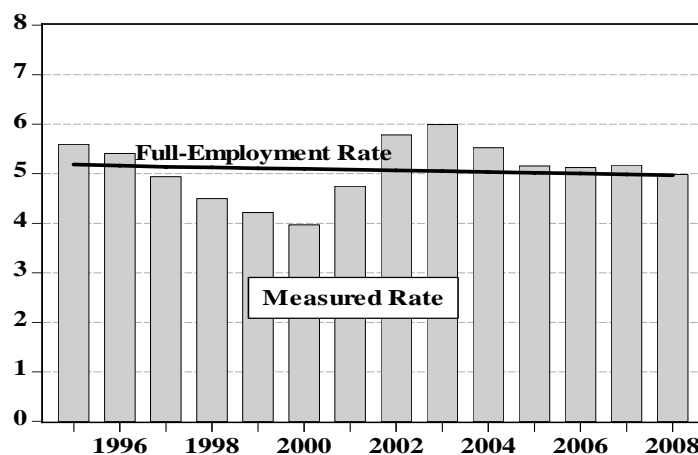
**International:** Anyone hoping for a quick improvement to the nation's huge trade deficit will be disappointed. Reversing the trade deficit is more akin to turning a fully loaded supertanker than spinning a nimble speedboat. The U.S. dollar's recent decline had raised some hope the stubborn trade deficit would soon disappear. It will not. Although it is true the lower dollar discourages imports while encouraging exports, these adjustments take time. In fact, the trade deficit can actually swell after the dollar's initial drop, since exchange rate changes affect prices faster than they do trade volumes.

Another reason the U.S. trade deficit is improving slowly is because China pegs the value of its currency to the U.S. dollar. Hence, the dollar has not retreated against the Chinese currency. Now for the good news; the worst may have already past. As the balance of payments graph shows, the current account deficit ballooned to an estimated \$809 billion in 2005, a \$143 billion increase from 2004. The trade deficit should grow in 2006, but the increase will be just \$55 billion. The trade deficit is expected to stabilize in 2007 then begin to retreat at a glacial pace, so that by 2010 it is \$843 billion, which is still significantly larger than it was in 2004.

**Employment:** The U.S. payroll employment sector provides an excellent example of why one month's data does not make a trend. Indeed, one needs to go back just a few months to see why this is true. According to the U.S. Department of Labor, there was a net gain of 274,000 jobs in April 2005. At this pace the economy would generate an additional 3.3 million jobs in one year. However, April's strong showing was followed by a net gain of just 78,000 jobs in May 2005. Less than one million jobs would be created in a year at this pace. Each monthly estimate paints a vastly different picture of the nation's employment health than the other one. These swings should preclude the use of just one month's data to evaluate the U.S. labor situation. A simple way around this is to use averages. For example, the average gain for April and May 2005 was 176,000 new jobs, which is consistent with the year-to-date average gain of 180,000 new jobs. The nonfarm data also shows the risk of basing conclusions on preliminary data. One month after estimating the U.S. netted just 78,000 jobs in May 2005, the U.S. Bureau of Labor Statistics revised this increase to 104,000 jobs. Another way to measure the labor market is with the unemployment rate. In May 2005, the nation's unemployment rate decreased by 0.1 percentage point to 5.1%, which is 0.5 percentage point lower than in May 2004. The

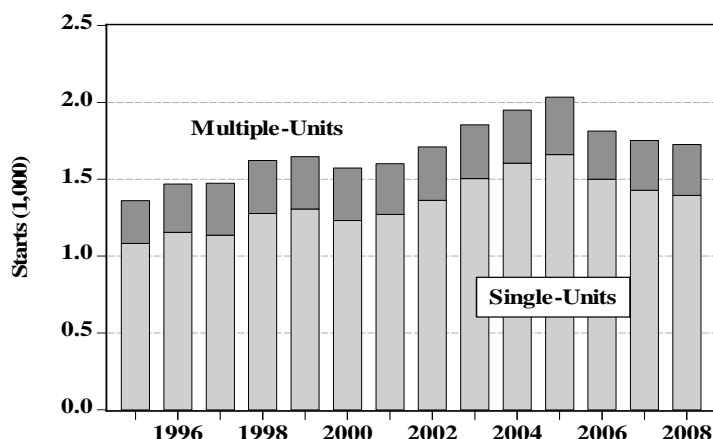
U.S. Department of Labor also reported nonfarm productivity grew at a 2.9% annual rate in this year's first quarter. Productivity growth is important because it helps to determine how fast employment will expand. Productivity is defined as output per number of hours worked. The number of hours worked, in turn, is the product of the number of jobs and the average hours worked per job. Based on the anticipated output growth and productivity, near-term employment should increase an average of 186,000 jobs per month, which is the same as last year. The average job gain per month could be boosted if output grows faster or productivity grows slower than assumed. In the current forecast, nonfarm employment is projected to increase by an average of 186,000 jobs per month in 2005, 163,000 jobs per month in 2006, 111,000 jobs per month in 2007, and 115,000 jobs per month in 2008. The U.S. civilian unemployment rate is expected to fall gradually over the forecast period, so that it averages about 5.0% by 2008.

## U.S. Civilian Unemployment Rate



Source: Global Insight

## U.S. Housing Starts



Source: Global Insight

**Housing:** The U.S. housing forecast has markedly improved compared to the previous projections that were reported in the April 2005 *Idaho Economic Forecast*. The housing market has been revitalized by the recent fall in long-term interest rates that pushed mortgage rates down to about 5.5%. The Freddie Mac average of 30-year rates for the week ended June 9 stood at 5.56%. In June 2005, mortgage rates sank to a 14-month low and were less than 25 basis points above their March 2004 low. In fact, rates were just 35 basis points above their modern era low of 5.21% that was reached in June 2003. With rates already near historical lows it is hard to imagine they

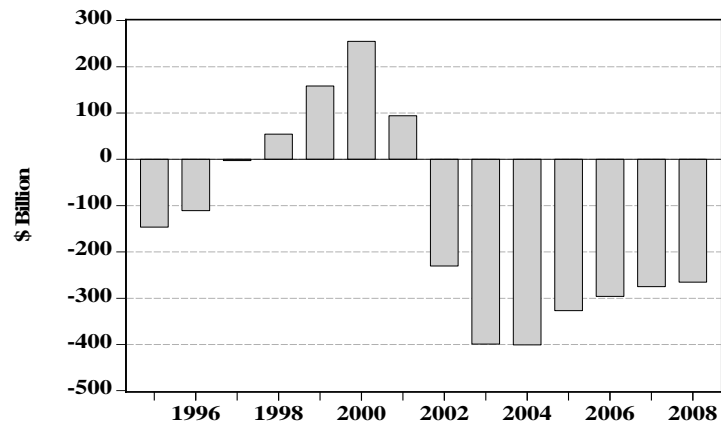
could go lower, but the large margin between mortgage interest rates and 10-year bonds suggest mortgage rates could go further south. The low mortgage interest rates have resulted in a flood of new, conventional mortgage applications this spring. The low mortgage rates also helped both existing and new homes sales set records in recent months. Strong housing demand has caused the U.S. average price for existing homes to appreciate, but it does not appear there is a national housing bubble. However, this cannot be said for all housing markets. Some regional markets, where home prices have soared in relation to household income, are especially vulnerable to falling prices. Even the usually obfuscatory Alan Greenspan admitted there was "froth" in some housing markets. If there is a housing bubble, builders are not fueling it. In fact builders seem to be living by the mantra, "If they come we will build it," instead of "If we build it they will come." For example, over 40% of the new single-family homes sold in April 2005 had not even been started and less than 25% of new homes sold or for sale were even completed. Recently, the stock of new homes for sale measured a paltry 3.6 months of sales, while the number for sale and completed was less than a month's worth of sales. Clearly,

builders are merely keeping pace with the market. Eventually mortgage interest rates will rise, and this will affect the housing market. However, the U.S. housing market is not expected to collapse, but, instead, should experience a fairly orderly and gradual decline. Specifically, U.S. housing starts are anticipated to fall from just over 2.0 million units this year to 1.8 million units in 2006 and 2007, and to 1.7 million units in 2008.

**Government:** The federal budget deficit is expected to decline over the forecast period, but not enough to meet the President's ambitious target to halve it from 2004 to 2009. This holds regardless of the method used to calculate the deficit. For example, on the unified basis, the federal deficit declines from its 2004 peak of \$413 billion to \$251 billion in 2009. As measured by the National Income and Product Accounts, the deficit drops from \$369 billion to \$224 billion over this same period. The process for setting the fiscal year 2006 budget is well under way. One major test of wills regarding the new budget will be

the pending transportation bill. The Senate version of this bill calls for five-year spending of \$295 billion, while the House version, which is similar to the President's plan, asks for only \$284 billion. President Bush's proposal to spend \$284 billion over five years translates into slight increases in real spending, while the Senate's plan incorporates more generous real spending hikes. Both the Senate and the House proposals represent an increase from the previous transportation bill that authorized about \$223 billion in spending over the 1999 to 2004 period. The high-profile transportation bill will be viewed as a litmus test of both the Executive and Legislative branches' resolve to control federal spending. Other spending pressures worth observing are Medicare, interest payments, and defense. The good news is the federal deficit will continue to shrink despite these pressures, thanks to anticipated strong federal revenue growth. Some of this growth has already started. Revenues have surged this year thanks to the strong coincident acceleration of both corporate and individual income tax receipts. The faster pace of corporate income tax revenues reflects the expiration of the accelerated depreciation allowances at the end of 2004. It also is the result of strong profits caused by productivity gains and aggressive price hikes taken earlier in 2005. The strong growth in individual income tax receipts is due to higher employment levels, as well a jump in bonuses and other incentives that were distributed at the end of last year and the beginning of this year. These developments suggest individual income tax receipts may be stronger during this business cycle compared to previous business cycles. As a result, the federal deficit declines faster than in the previous forecast. Specifically, the unified budget deficit drops from \$413 billion in fiscal year 2004 to \$251 billion in fiscal year 2009. In the previous forecast, the unified budget deficit was expected to drop from an estimated \$400 billion in fiscal year 2004 to \$287 billion in fiscal year 2009.

**U.S. Federal Government Surplus  
Unified Basis**



Source: Global Insight

## IDAHO FORECAST DESCRIPTION

### **The Forecast Period is the Second Quarter of 2005 through the Fourth Quarter of 2008**

The employment surge at the end of last year and the beginning of this year has once again raised expectations for the Idaho economy. Estimates based on data provided by the Idaho Department of Commerce and Labor show Idaho nonfarm employment expanded at a 2.8% annual pace in the fourth quarter of 2004 and at a 2.2% rate in the first quarter of 2005. At this pace, Idaho nonfarm employment should have crossed the 600,000-job threshold this spring, which is well ahead of schedule. In the April 2005 *Idaho Economic Forecast* nonfarm employment is forecast to expand at a 1.4% annual rate in the last quarter of 2004 and by 1.3% in the first quarter of 2005. At this slower rate, Idaho nonfarm employment was expected to hit the 600,000-level in late 2005.

Idaho's nonfarm employment rally reflects the strong showings of several sectors. The most noteworthy is construction. In the previous *Forecast*, construction was expected to advance by a strong 5.4% in 2004's last quarter followed by a 1.6% increase in 2005's first quarter. This was too low. According to the new data, Idaho construction employment achieved an astonishing 11.9% growth rate in both quarters. As a result, actual construction employment was nearly 2,400 higher in the fourth quarter than had been forecast in April 2005. This strength is consistent with the recent performance of the state's residential and business construction sectors. For example, Idaho housing starts grew at a 29.3% annual rate in the last quarter of 2004 and by an astonishing 55.8% annual pace in the first quarter of 2005. As was the case with construction employment, this is well above previous expectations. The construction sector's strength was complimented by better-than-anticipated performances by the state's services and government employment categories. Specifically, services employment is up about 1,100 in the first quarter of 2005 compared to the previous forecast and government employment is up nearly 300.

Employment was not the only indicator that has surged recently; Idaho nominal personal income also spiked late last year. According to the U.S. Department of Commerce's Bureau of Economic Analysis, Idaho nominal personal income advanced at a 15.6% annual rate in the last quarter of 2004. This income flood was largely the result of late-year distribution of bonuses and raises. This can be seen in the wage and salaries portion of personal income that increased a whopping 14.7% in last year's fourth quarter. Idaho personal income also benefited from the influx of dividends, interest, and rent that increased at a nearly 22% annual pace in the same quarter. Other sources that contributed to fourth quarter personal income growth include government transfers to individuals (9.7%) and other labor income (13.8%).

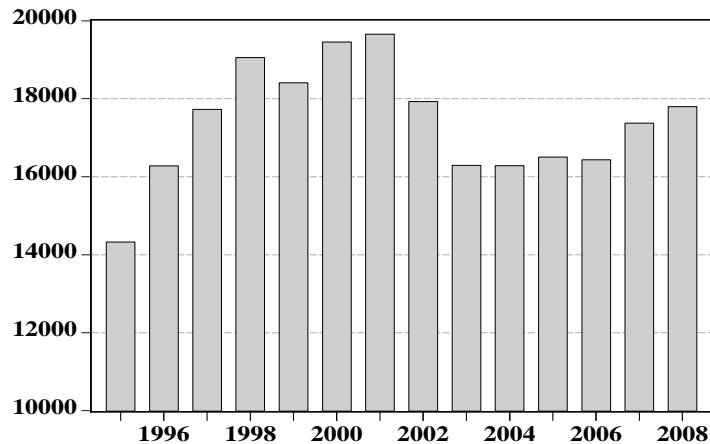
The current Idaho outlook is the result of two major factors. First, Idaho's recent strong economic growth has raised the starting points for the forecasts of nonfarm employment and nominal personal income relative to their counterparts in the April 2005 *Idaho Economic Forecast*. Second, the fundamentals fueling the state's economy have change little since the previous forecast. The combination of these two factors jump-starts the state's near-term economic forecast. Specifically, Idaho nonfarm employment grows by 2.5% in 2005, which is about one-half percentage point higher than in the previous forecast. Idaho nominal personal income is projected to rise 6.5% this year compared to the previous forecast's 5.3%. After this year, both Idaho nonfarm employment and personal income should rise roughly in line with their respective counterparts from the previous forecast.

## SELECTED IDAHO ECONOMIC INDICATORS

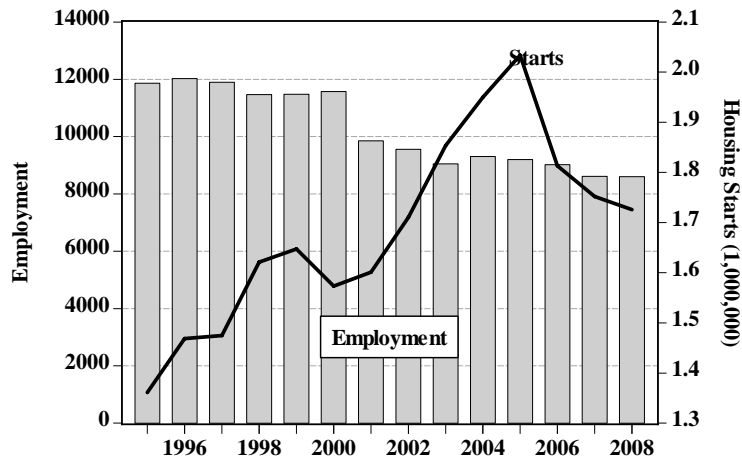
**Computer and Electronics:** Last year was important for the state's computer and electronics sector. After suffering severe back-to-back declines in 2002 and 2003, employment in Idaho's largest manufacturing sector stabilized in 2004. A short review of this sector's history reveals the significance of last year's turnaround. Idaho computer and electronics has been one of the strongest sectors during the state's protracted expansion that began in the late 1980s. Over this period, computer and electronics employment sped along much faster than overall Idaho nonfarm growth, passing several mileposts along

the way. Near the beginning of the expansion, this sector overtook the lumber and wood products sector to become the state's largest durable manufacturing employer. It then topped the food processing sector to become the state's largest manufacturing employer in 1997. During the decade from 1991 to 2001, Idaho computer and electronics employment advanced an average of 6.3% per year. The national investment boom for business equipment bolstered this sector's growth. Fueled by the demands of the Telecommunications Act of 1996, concerns over Y2K, and the popularity of the Internet, real investment in computer equipment advanced by at least 40% each year from 1995 through 1999. Unfortunately, Idaho computer and electronics employment suffered when real business investment collapsed near the beginning of the millennium. In 2001, Jabil Circuit, MicronPC.com, SCP Global Technologies, Micron MCMS, AMI, and Hewlett-Packard reduced their staffs. As a result, this sector's employment growth slowed from 5.7% in 2000 to 1.0% in 2001. The Gem State's computer and electronics sector suffered another round of layoffs in 2002, which caused employment to plunge 8.8%. Despite being hard hit by the reeling high-tech sector, Micron Technology avoided layoffs until 2003, when it reduced its Idaho workforce by about 1,000. All told, this sector lost about 4,700 jobs during the 11-quarter downturn. Industry conditions improved in 2004, and this sector's employment grew in three of that year's four quarters. In fact, Micron recently announced its payroll is back to its pre-layoff level. Businesses are again investing in equipment, and this should translate into high-tech jobs in the Gem State. However, employment growth is not expected to return to the white-hot pace it enjoyed during the 1990s. Instead, this sector's employment should rise 1.4% in 2005, decrease 0.4% in 2006, expand 5.7% in 2007, and grow 2.4% in 2008. This forecast does carry a couple of downside risks. Hewlett-Packard recently announced it plans to reduce its company workforce by about 15,000 over the next 18 months. However, the company has not released details of the impacts this move will have on the Boise site. Because of this lack of data, no impacts from the company's latest round of restructuring have been built into this forecast. Another challenge this sector faces is the potential glut of supply in the global semiconductor market. It appears the delicate balance between supply and demand may have been upset recently, and this has resulted in lower memory prices. Micron Technology cited the 30% decline in memory prices for its disappointing earning performance.

**Idaho Computer and Electronic Products Employment**



### Idaho Wood Product Employment and U.S. Housing Starts



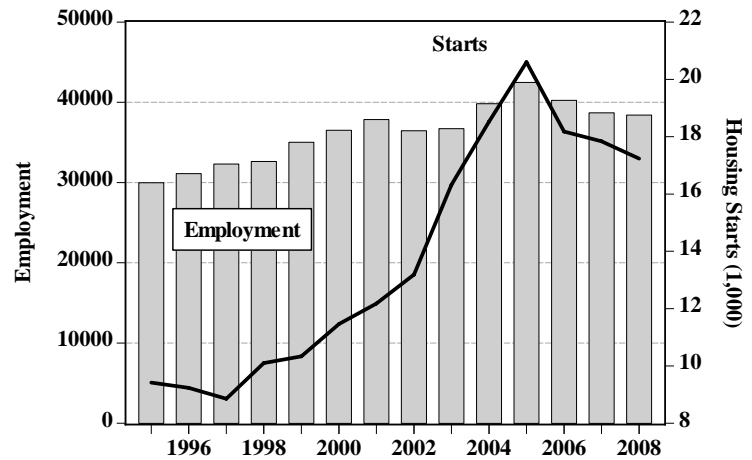
**Resource-based Sectors:** The state's lumber and wood products sector experienced a short break from its recent string of employment losses. In 2004 this sector gained roughly 250 jobs. However, this respite should be short lived, and this sector should begin shedding jobs again beginning with this year. Unfortunately, job losses have been an all-too-familiar occurrence for this sector. The number of lumber and wood products jobs peaked in 1996 and, except for two minor gains in 1999 and 2000, declined until 2004. The worst year was 2001, when employment declined a whopping 14.9%. Employment shrank further in 2002 and

2003. Perhaps the most frustrating part of the recent declines is they occurred when the U.S. housing demand was booming. Usually, employment would increase under these conditions. Instead, several mills closed, resulting in permanent job losses. Idaho's wood and lumber products sector's performance is being predominately shaped by long-term supply factors rather than short-term demand factors. One of the factors having the biggest impact is the dwindling supply of timber from public lands. According to the U.S. Forest Service, just over half the timber harvested in Idaho came from public lands in 1993. By 2003, public timber accounted for less than 30% of the total harvest. A significant part of this decline is due to reduced harvests from national forests. The U.S. Forest Service estimates the harvest from Idaho national forests fell from 586.2 million board feet in 1993 to 123.2 million board feet in 2003, a decline of nearly 80%. Looked at another way, in 1993 timber from national forests accounted for more than a third of the total harvest, but just over 12% in 2003. Another concern is the current manufacturing over capacity. Strong markets in the 1990s led to heavy capital investment in this sector. As a result, it is estimated the industry can produce 20% to 25% more lumber than is being consumed in North America. It should also be noted that new plants are more efficient and use less labor than older plants. For example, each Idaho lumber and wood products employee produced about 172,000 board feet of lumber in 1993, but in 2003 each employee produced 215,000 board feet. In addition, unresolved fair trade issues between the U.S. and Canada also weigh down this industry. Idaho's mining industry has experienced a welcome bout of success recently. The Gem State's mining sector is no stranger to the ebb and flow of the business cycle. In recent years it has been more ebb than flow. Idaho mining employment fell from the beginning of 1991 until it hit a trough in 1993. Its next employment peak came in 1997. It then continued to shed jobs through 2002, but experienced small gains in both 2003 and 2004. Mining employment is projected to expand again in 2005, but decline thereafter. Agriculture in Idaho is undergoing stress from a variety of quarters, with water issues being of primary concern to southeastern Idaho farmers. A recent order issued by the Director of Water Resources requires that ground water pumpers from the Snake River Plain Aquifer supply senior water rights holders with 133,400 acre-feet of water in order to be allowed to continue pumping groundwater. While this issue is far from settled, agriculture experts at the University of Idaho believe the water issues will have more impact on the composition of Idaho agriculture than the monetary value of output. Put simply, high valued uses are expected to find the water needed to operate. Agriculture received some temporary relief thanks to an unusually wet spring that delayed the irrigation season's start and helped refill reservoirs.

**Construction:** A steady stream of positive housing sector news results in increased expectations for both Idaho housing starts and construction employment. A review of the Idaho housing data shows starts continued to accelerate through the first quarter of this year, and it easily eclipsed previous expectations. Specifically, Idaho housing starts climbed at a 43.1% annual pace in the third quarter of 2005 and expanded at a 29.3% in the fourth quarter. This was followed by an astonishing 55.8% annual advance in this year's first quarter—its strongest quarterly showing in over two years. As a result of this steady expansion, Idaho housing starts

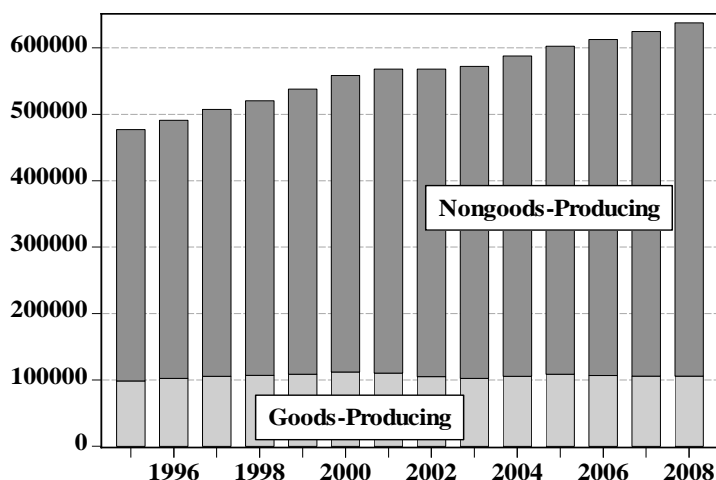
set a new record at just under 23,000 units in the first quarter of 2005. By comparison, the April 2005 *Idaho Economic Forecast* reported Idaho housing starts would peak at just over 20,000 units in the fourth quarter of 2004. Idaho construction employment also enjoyed strong growth at the end of last year and the beginning of this year. Construction employment was lifted well above 40,000 jobs in this year's first quarter thanks to 12% annualized increases in both the fourth quarter of 2004 and the first quarter of 2005. A large portion of the housing sectors strength results from generation-low mortgage interest rates and the relatively strong Idaho population growth. These two factors will also shape the housing sector's future. Specifically, housing growth will yield to rising interest rates and the slower population growth. The current forecast assumes the mortgage interest rates are near their nadirs and will rise gradually over the forecast period. For example, the rate for a 30-year mortgage on an existing home is anticipated to go from 5.7% at the end of 2004 to about 7% by the end of 2008. Idaho's population growth, which was nearly 2% in 2004, should taper down to 1.5% in 2008. Forecasts of rising mortgage interest rates and slower population growth can stir fears of a housing collapse, especially when the housing market has been so strong for so long. While the future courses of interest rates and population will have a dampening affect on the state's housing sector, a collapse is not anticipated. First, interest rates and population growth are expected to change gradually, giving the industry ample time to adjust. Second, although the Idaho housing sector has been robust, there does not appear to be a serious excess inventory of properties in the state. Third, recent studies to identify communities vulnerable to "housing bubbles" show no Idaho communities are at significant risk. Fourth, Idaho could benefit from a boom in second homes. In light of these mitigating factors, Idaho's housing sector is not expected to suffer an abrupt reversal from its recent prosperity. Instead, both Idaho housing starts and construction employment should decline gradually from their respective record levels over the forecast period.

**Idaho Construction Employment and Housing Starts**



**Nongoods-Producing Industries:** The state's nongoods-producing sector should also be one of its fastest growing sectors over the forecast period. The importance of the state's nongoods-producing sector cannot be overstated. Like its national counterpart, the nongoods-producing sector accounts for the lion's share of nonfarm Idaho jobs. Nongoods-producing employment accounts for eight of every ten nonfarm jobs in Idaho. The two largest nongoods employers are services and trade that together represent three-fourths of nongoods-producing employment. The services category is the larger of the two. The three largest services components are: professional and business services; education and health services; and leisure and hospitality services. The next largest group consists of financial

## Idaho Nonfarm Employment



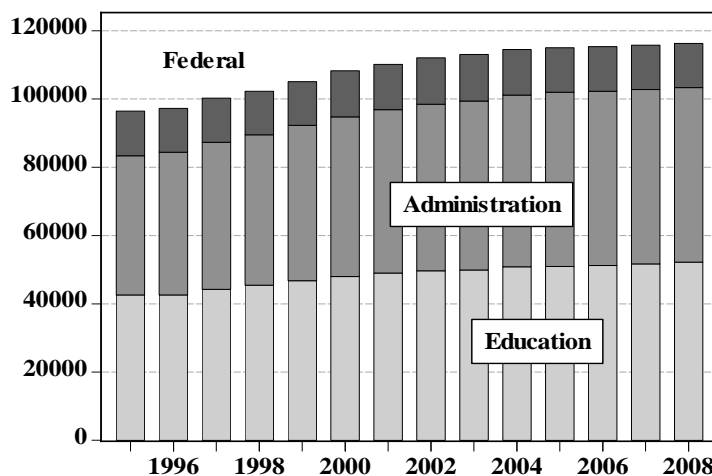
services; transportation, warehousing, and utilities; and other services. The smallest sector is information services. Overall, total service-related employment should advance about 3.3% annually, which is faster than total nonfarm employment growth. Professional and business services should be one of Idaho's strongest performers during the next few years. After experiencing a relatively anemic showing in 2003, professional and business services employment should expand an average of 3.8% per year through 2008. Education and health services employment should benefit from increased demand for health

services caused by the aging population. Education and health services should grow 3.3% annually. Leisure and hospitality services employment is forecast to increase an average of 3.4% annually. Financial services employment growth is projected to average 2.8%, while transportation, warehousing, and utilities are expected to average 1.6% growth. Other services should advance 2.2% yearly. The number of information services jobs is predicted to increase 3.9% annually. The trade sector consists of its retail and wholesale components. The retail component accounted for over 73,000 jobs in 2004, which is roughly three times the size of the wholesale component. Retail trade should average 2.8% growth over the forecast period, while wholesale trade advances at a 2.3% rate. Overall, Idaho nongoods-producing employment is projected to advance an average of 2.5% per year through 2008.

**Government:** Idaho government employment growth is expected to slow over the next few years as the state's population growth cools. The relationship between government employment and population is well established. The decade of the 1990s serves as excellent example. Idaho's population grew about twice as fast as the nation's from 1990 to 2000. The state's population surge resulted from the flood of new residents moving into the state. In fact, Idaho net migration was higher than the natural population (births less deaths) increase in every year from 1991 to 2000. The main

reason the Gem State proved to be so attractive to newcomers is because in the 1990s it was viewed as economic oasis in an economic desert. The Gem State proved especially enticing to Californians whose state was suffering its worst downturn since the Great Depression. Newcomers pouring into Idaho stretched the state's infrastructure. In an attempt to meet the fast growing population's demands for public services, the Idaho state and local employment payroll expanded an average of 3.0% per year from 1991 to 2000. Prosperity returned to other states in the second half of the 1990s, and this

## Idaho Government Employment





narrowed the once-wide economic gap between Idaho's economic performance and the nation's. Migration slowed as a result. By 2001, Idaho's natural population growth was actually above the migration increase. Idaho's population growth is expected to continue slowing over the forecast period. Specifically, The Gem State's population is anticipated to rise 1.7% this year, 1.6% next year, and 1.5% in both 2007 and 2008. Idaho state and local government employment is projected to increase 0.8% in 2005, 0.3% in 2006, 0.5% in 2007, and 0.6% in 2008. Over this period, education-related employment should fare better than noneducation-related employment. Specifically, Idaho education employment should advance 0.7% percent annually and noneducation employment should rise 0.4% per year. Federal government employment is expected to be even weaker. Unlike state and local employment, the number of federal jobs in Idaho is set by federal budget writers in Washington, D.C. This being the case, the return of federal deficits does not bode well for Idaho federal government employment. As a result, federal government employment in Idaho is expected to decline from 13,310 in 2004 to 12,948 in 2008. One uncertainty not accounted for in this forecast is the current round of proposed base realignments and closures. Although, Mountain Home Air Force Base was not on the list of recommended closures, realignments in Idaho could result in a net loss of about 560 jobs. No final actions have been taken at this point.

## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the April 2005 to the July 2005 *Idaho Economic Forecast*. The April 2005 *Idaho Forecast* is based on Global Insight's March 2005 baseline forecast and the July 2005 *Idaho Forecast* is driven by Global Insight's June 2005 baseline U.S. macroeconomic forecast.

A comparison of several key variables shows how the outlooks for the national and state economies have changed since the April 2005 *Idaho Economic Forecast* was published. A review of the accompanying table shows the magnitude of change varies among key indicators. For example, forecasted real GDP has changed very little compared to the previous projection. It is down slightly (0.2%) in 2005, 2006, and 2007, and up marginally (0.1) in 2008. This narrow difference is partially the result of inflation being higher in this forecast compared to the previous one. National nonfarm employment is also virtually unchanged. However, the total nonfarm employment number masks larger changes to its main categories. Specifically, U.S. goods-producing employment is noticeably lower in each year of this forecast and nongoods-producing employment is slightly stronger. However, the strength of the nongoods-producing category does not offset the weakness in the goods-producing category until 2007. Interestingly, both nominal and real U.S. personal incomes show significant improvement since the previous forecast. Fueled by anticipated stronger wage growth and higher government transfers to individuals, U.S. nominal personal income is about 1% higher in every year of the forecast compared to its April 2005 counterpart. The improvement to real U.S. personal income is smaller thanks to the higher expected inflation, but it is still significant. Specifically, in the current forecast U.S. real personal income is at least 0.5% higher in each year from 2005 to 2007 and 0.9% higher in 2008.

Idaho's economic outlook has also improved relative to the previous forecast. Idaho nonfarm employment displays a broad range increase. Specifically, Gem State goods-producing employment is about 2,600 above the previous forecast in 2005 and this advantage climbs to about 2,900 by 2008. Likewise, nongoods-producing employment is about 2,000 stronger in 2005 and nearly 4,400 stronger by 2008. As a result, Idaho overall nonfarm employment goes from being nearly 4,600 higher in 2005 compared to the previous forecast to about 7,300 higher in 2008. Much of this improvement is a result of the stronger-than-anticipated job growth that took place in the last quarter of 2004 and first quarter of 2005. Idaho nominal personal income was also revised significantly since the previous forecast, which raised the starting point of the current forecast. This contributes to Idaho nominal personal income being \$1.4 billion higher (3.1%) in 2008 than previous forecast and Idaho real personal income being \$1.1 billion higher (2.7%).

**IDAHO ECONOMIC FORECAST  
FORECASTS COMPARISON  
DIFFERENCES BETWEEN  
JULY 2005 AND APRIL 2005 FORECASTS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>GDP (BILLIONS)</b>									
Current \$	0	0	0	0	1	17	23	8	65
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%	0.5%
2000 Chain-Weighted	0	0	0	0	0	-21	-26	-23	17
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%	-0.2%	0.1%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	0	-36	418	455	679	1,153	1,259	1,277	1,440
% Difference	0.0%	-0.1%	1.2%	1.3%	1.8%	2.9%	3.0%	2.9%	3.1%
U.S. (Billions)	0	0	0	0	18	96	121	115	149
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.9%	1.1%	1.0%	1.2%
<b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	0	-35	403	431	627	900	913	951	1,086
% Difference	0.0%	-0.1%	1.2%	1.3%	1.8%	2.5%	2.5%	2.5%	2.7%
U.S. (Billions)	0	0	0	0	16	49	54	57	89
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.5%	0.6%	0.6%	0.9%
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	-1	-3	-6	-12	1,068	4,588	4,606	5,143	7,281
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.8%	0.8%	0.8%	1.2%
U.S. (Thousands)	0	0	0	0	0	-35	29	111	543
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.4%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	-3	-1	-2	-4	382	2,616	2,200	2,118	2,934
% Difference	0.0%	0.0%	0.0%	0.0%	0.4%	2.5%	2.1%	2.0%	2.9%
U.S. (Thousands)	0	0	0	0	0	-22	-134	-170	-126
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.6%	-0.8%	-0.6%
<b>NONGOODS PRODUCING SECTOR</b>									
Idaho	2	-2	-4	-8	686	1,971	2,406	3,025	4,348
% Difference	0.0%	0.0%	0.0%	0.0%	0.1%	0.4%	0.5%	0.6%	0.8%
U.S. (Thousands)	0	0	0	0	0	-14	164	282	669
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.6%
<b>FINANCIAL MARKETS</b>									
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.1%	-0.1%	-0.2%
<b>INFLATION</b>									
GDP Price Deflator	0.0	0.0	0.0	0.0	0.0	0.4	0.5	0.3	0.4
Personal Cons Deflator	0.0	0.0	0.0	0.0	0.0	0.5	0.6	0.5	0.4
Consumer Price Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Forecast Begins the SECOND Quarter of 2005**

## ALTERNATIVE FORECASTS

Global Insight has assigned a 60% probability of occurrence to its June 2005 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 3.5% in 2005, 3.0% in 2006, 3.1% in 2007, and 3.3% in 2008;
- U.S. nonfarm employment grows 1.7% in 2005, 1.5% in 2006, and 1.0% in both 2007 and 2008;
- the U.S. civilian unemployment rate falls to 5.2% this year and hovers near that level in the remaining years of the forecast;
- consumer inflation is 2.9% in 2005, 2.0% in 2006, 1.8% in 2007, and 2.1% in 2008; and
- the federal unified budget deficit peaks at \$412 billion in 2004 then gradually declines to \$273 billion in 2008.

### OPTIMISTIC SCENARIO

The *Optimistic Scenario* has been assigned a 20% probability of occurrence. The *Optimistic Scenario* presented here is simply a further tweaking of the *Optimistic Scenario* that was included in the previous *Forecast*. In the previous version of this scenario there were six assumptions that distinguished the *Optimistic Scenario* from the *Baseline Scenario*. They appear in this scenario as well. First, total factor productivity is stronger. It is the economic equivalent of a miracle pill. It makes economic headaches such as inflation, budget deficits, and sluggish growth disappear. Second, foreign economic growth is stronger, which boosts U.S. exports and strengthens domestic manufacturing. Third, business investment is higher. Fourth, the federal government budget deficit is lower thanks to higher tax revenues and lower federal transfer payments. Fifth, housing starts are stronger in this alternative forecast. Sixth, oil prices are assumed to be about \$5/barrel lower than in the *Baseline Scenario*.

Not surprisingly, these assumptions produce a rosier economic outlook than the baseline case's assumptions. This is verified by reviewing several key indicators. The economy grows 0.2 percentage point faster than in the baseline in 2005 and 1.2 percentage points faster in 2006. Specifically, real GDP advances a healthy 3.7% in 2005, 4.2% in 2006, 3.9% in 2007, and 3.7% in 2008. In the *Baseline Scenario*, real GDP is projected to rise 3.5% this year and about 3% in each of the remaining years of the forecast horizon. Job growth is also stronger. In the *Optimistic Scenario*, nonfarm employment grows 1.8% this year, 2.2% next year, 1.6% in 2007, and 1.2% in 2008. In contrast, in the *Baseline Scenario* nonfarm employment expands 1.7% in 2005, 1.5% in 2006, and 1.0% in both 2007 and 2008. Not only do the number of jobs expand faster, but also the unemployment rate declines more steeply, so that by 2008 it is very close to 4%. Despite the stronger growth, inflation remains in check thanks to the healthy productivity gains. The lower inflation rate allows the Federal Reserve to raise its federal funds slower than in the *Baseline Scenario*, so that it is 50 basis points lower in 2008.

The differences between the Idaho *Optimistic* and *Baseline* forecasts are subtler than at the national level. This is because the improved productivity actually has a dampening affect on the state's economy, particularly its goods-producing sector. For example, the difference in total forecasted Idaho nonfarm employment in 2008 is about 500, which is less than 0.1%. However, the differences between the major employment categories are larger. Specifically, Idaho goods-producing employment is about 900 lower in the *Optimistic Scenario* compared to the *Baseline Scenario*. Part of this gap is made up by nongoods-

**IDAHO ECONOMIC FORECAST**  
**BASELINE AND ALTERNATIVE FORECASTS**  
**JULY 2005**

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
<b>GDP (BILLIONS)</b>												
Current \$	12,446	13,075	13,741	14,515	12,463	13,208	13,944	14,737	12,435	13,038	13,663	14,543
% Ch	6.1%	5.1%	5.1%	5.6%	6.2%	6.0%	5.6%	5.7%	6.0%	4.9%	4.8%	6.4%
2000 Chain-Weighted	11,226	11,565	11,923	12,319	11,244	11,712	12,170	12,622	11,211	11,441	11,642	11,989
% Ch	3.5%	3.0%	3.1%	3.3%	3.7%	4.2%	3.9%	3.7%	3.4%	2.1%	1.8%	3.0%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	40,322	42,585	44,887	47,565	40,248	42,211	44,350	46,801	40,371	43,026	45,912	49,293
% Ch	6.5%	5.6%	5.4%	6.0%	6.3%	4.9%	5.1%	5.5%	6.6%	6.6%	6.7%	7.4%
U.S. (Billions)	10,319	10,913	11,491	12,170	10,321	10,972	11,612	12,303	10,319	10,916	11,496	12,252
% Ch	6.5%	5.7%	5.3%	5.9%	6.5%	6.3%	5.8%	5.9%	6.5%	5.8%	5.3%	6.6%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	36,559	37,900	39,206	40,664	36,537	37,785	39,102	40,522	36,506	37,719	39,068	40,566
% Ch	4.1%	3.7%	3.4%	3.7%	4.0%	3.4%	3.5%	3.6%	3.9%	3.3%	3.6%	3.8%
U.S. (Billions)	9,356	9,712	10,036	10,404	9,369	9,822	10,238	10,652	9,331	9,570	9,783	10,083
% Ch	4.1%	3.8%	3.3%	3.7%	4.3%	4.8%	4.2%	4.0%	3.8%	2.6%	2.2%	3.1%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	602,440	612,863	624,740	637,720	602,402	613,189	624,710	637,207	602,457	611,536	620,928	633,495
% Ch	2.5%	1.7%	1.9%	2.1%	2.5%	1.8%	1.9%	2.0%	2.5%	1.5%	1.5%	2.0%
U.S. (Thousands)	133,701	135,658	136,986	138,364	133,802	136,751	138,936	140,604	133,648	135,056	135,293	136,373
% Ch	1.7%	1.5%	1.0%	1.0%	1.8%	2.2%	1.6%	1.2%	1.7%	1.1%	0.2%	0.8%
<b>GOODS-PRODUCING SECTOR</b>												
Idaho	108,546	106,473	105,630	105,806	108,592	107,200	105,712	104,874	108,747	106,378	103,946	104,655
% Ch	3.0%	-1.9%	-0.8%	0.2%	3.0%	-1.3%	-1.4%	-0.8%	3.1%	-2.2%	-2.3%	0.7%
U.S. (Thousands)	22,135	22,196	22,211	22,225	22,161	22,497	22,844	22,951	22,160	22,149	21,647	21,337
% Ch	1.2%	0.3%	0.1%	0.1%	1.3%	1.5%	1.5%	0.5%	1.3%	0.0%	-2.3%	-1.4%
<b>NONGOODS-PRODUCING SECTOR</b>												
Idaho	493,894	506,390	519,110	531,915	493,810	505,989	518,997	532,332	493,710	505,158	516,981	528,840
% Ch	2.3%	2.5%	2.5%	2.5%	2.3%	2.5%	2.6%	2.6%	2.3%	2.3%	2.3%	2.3%
U.S. (Thousands)	111,565	113,463	114,775	116,139	111,641	114,254	116,093	117,652	111,488	112,907	113,646	115,036
% Ch	1.8%	1.7%	1.2%	1.2%	1.9%	2.3%	1.6%	1.3%	1.7%	1.3%	0.7%	1.2%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	3.2%	4.0%	4.2%	4.5%	3.0%	3.5%	3.7%	4.0%	3.4%	5.3%	6.8%	6.8%
Bank Prime	6.2%	7.0%	7.2%	7.5%	6.0%	6.5%	6.7%	7.0%	6.4%	8.3%	9.8%	9.8%
Existing Home Mortgage	6.0%	6.5%	6.6%	7.0%	5.9%	6.0%	6.1%	6.4%	6.3%	8.3%	8.5%	8.0%
<b>INFLATION</b>												
GDP Price Deflator	2.4%	2.0%	1.9%	2.2%	2.4%	1.7%	1.6%	1.9%	2.4%	2.7%	3.0%	3.4%
Personal Cons Deflator	2.3%	1.9%	1.9%	2.2%	2.4%	1.7%	1.6%	1.9%	2.6%	3.1%	3.0%	3.4%
Consumer Price Index	2.9%	2.0%	1.8%	2.1%	2.7%	1.5%	1.5%	1.7%	3.1%	3.0%	2.8%	3.2%

Forecast Begins the SECOND Quarter of 2005

producing employment, which is about 400 higher than its baseline counterpart. Interestingly, Idaho nominal personal income grows slower in this scenario than in the baseline because of stronger productivity growth. By 2008, personal income is actually \$764 million, or 1.6%, lower than in the baseline. Obviously, some of this difference is the result of the lower inflation in the *Optimistic Scenario*. After adjusting for inflation the gap between the two Idaho personal income forecasts for 2008 shrinks to \$142 million, which is less than 0.4% of the baseline Idaho real personal income estimate.

## PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has also been assigned 20% probability of occurrence. A significant feature of the *Pessimistic Scenario* is the re-emergence of inflation. The pickup of inflation reflects higher oil prices, a weaker dollar, two-and-one half years of accommodative monetary policy, and loose fiscal policy. This *Scenario* assumes there is less spare capacity in both the global and U.S. economies than had been previously believed. This is because rapid technological advances and higher oil prices may have rendered current idle capacity obsolete. It is also assumed the U.S. dollar will rapidly weaken as the swelling U.S. trade deficit scares off foreign investors. The flight from greenback-valued investments puts upward pressure on domestic interest rates. In addition, the falling dollar fuels inflation fires. By the start of next year core inflation (overall inflation less food and energy) is over 3%.

The Federal Reserve attempts to stanch inflation raising its federal funds rate faster than in the *Baseline Scenario*. By the end of 2005, its federal funds rate is 4.5%, which is 50 basis points higher than its baseline counterpart. Despite the aggressive tightening, the stock and bond markets both slip on signs the central bank may have let inflation build up too much momentum. The Federal Reserve continues battling inflation by tightening further. By the end of 2007, the federal funds rate is at 7.25% and the U.S. unemployment rate is 6.1%. Between the higher interest rates and persistently high energy prices, consumer confidence wavers, causing consumers to rein in spending. The economy slows as a result. However, it does not sink into a recession. Instead, it fails to grow at its full potential.

Like its national counterpart, Idaho's economy experiences weaker growth in the *Pessimistic Scenario*. This can clearly be seen in the nonfarm employment and personal income projections. Idaho nonfarm employment growth is weaker than in the baseline in every year after 2005. As a result, nonfarm employment is about 4,200 lower (0.7%) in 2008 compared to the baseline estimate. This weakness is more widespread than in the *Optimistic Scenario*, with employment in both the goods- and nongoods-sectors turning in sub-par showings. Idaho nominal personal income is higher than its baseline counterpart in 2008 in this scenario, but the advantage is lost when the projection is adjusted for the higher inflation in the *Pessimistic Scenario*. Specifically, Idaho nominal personal income is \$49.3 billion in this scenario compared to baseline's \$47.6 billion. However, real Idaho personal income is lower than in the baseline, \$40.6 billion versus \$40.7 billion.

## IT Investment: Will the Glory Days Ever Return?

Mark Doms

Investment in information technology (IT)—that is, business spending on computers, communications equipment, and software—has featured prominently in the ups and downs of U.S. economic growth over the last decade. In the late 1990s, double-digit growth in IT investment contributed significantly to high GDP and productivity growth rates. And in 2001, the sharp contraction in IT investment helped lead the economy into recession.

While the growth in IT investment has picked up during the recovery and expansion, it has not regained the very rapid pace of the glory days of the late 1990s. Will those glory days ever return? In exploring this question, this Economic Letter looks at one of the main drivers behind the earlier strength in IT investment—the falling prices of IT goods, which themselves were brought about by rapid technological advances in the field. The good news is that some evidence suggests that continued advances should help real IT investment achieve rates of growth that exceed the growth in other investment goods; however, at the same time, there are reasons to think that growth in IT investment is likely to be more subdued than in the late 1990s.

### Falling IT prices and "real" vs. nominal IT investment

While many factors may affect IT investment, Doms (2004) has identified the falling prices of IT goods as a major driver in the IT investment surge of the late 1990s. As Figure 1 shows, the prices of IT goods have fallen extremely quickly, while the prices of other goods (represented by the GDP deflator, a measure of general price inflation) have risen modestly. For example, according to official statistics, businesses would have needed to spend \$1,963 on IT goods in 1995 for what they could have purchased for \$1,000 in 2004 (and there are reasons that this figure is understated), implying that prices of IT goods fell at an average annual rate of 7.4%.



Real IT investment is the amount of money spent on IT goods adjusted for the prices of IT goods. Thus, given the falling IT prices, the differences in the growth rates for nominal and real IT investment can be large; in fact, real IT investment can be rising while nominal IT investment is falling. Therefore, when discussing how strongly IT investment is growing, it is important to delineate clearly between nominal and real investment. Although the business community, especially those firms that produce and sell IT goods, tends to focus on nominal investment, that is, how much money is actually being spent, the relevant consideration for real GDP growth is real investment in IT.

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**Figure 2**  
Real IT investment growth rates  
Year-over-year % change

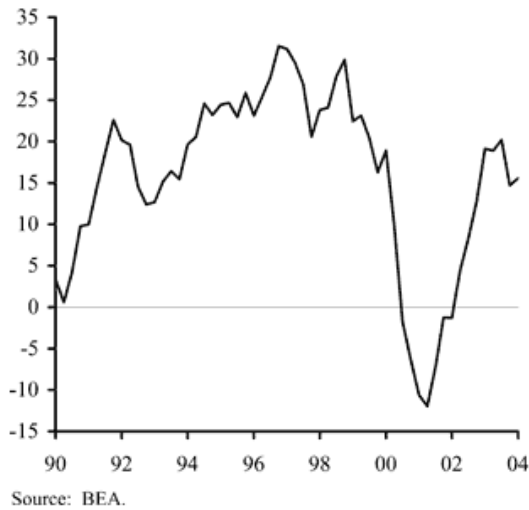


Figure 2 shows that growth in real IT investment was especially strong between 1995 and 2000, averaging 24% per year and adding an annual average of over 0.8 percentage point to the growth in real GDP. Real IT investment contracted sharply in 2001, falling nearly 11%. Since then, real IT investment has picked back up—for instance, in 2004 real IT investment grew 15.6 percent, contributing 1/2 percentage point to GDP growth—but it has not returned to the phenomenally high growth rates of the late 1990s.

### **Will IT prices continue to fall?**

Prices for IT goods reflect both improvements in the quality of those goods and the combined effects of the supply of and the demand for them.

The price declines for IT goods witnessed over the decades have been largely driven by sharp increases in supply, which reflect, in part, the tremendous leaps in IT technology. Looking ahead then, what happens to prices of IT goods will depend on the pace of technological innovation. Although forecasting technological innovation is difficult and fraught with peril, there is evidence on spending for research and development (R&D) that suggests some promise for a reasonably rapid pace of technological progress in that field going forward.

In 2002 (the most recent official data from the National Science Foundation), R&D in the computer and software industries totaled over \$46 billion, making up almost one-fourth of all private sector R&D, which is near the same level as in the late 1990s and into 2000. This large sum of R&D spending is likely to produce innovations that will result in falling IT prices and an increase in the amount of IT goods demanded by businesses.

Take, for example, the effect of R&D spending on semiconductors. Research has shown that advances in the design and production of semiconductors have played an important role in the price declines of computers and communications equipment. One aspect of the technological advances in semiconductors is the size of individual chip components. Over time, these components (that is, individual transistors) have become smaller and smaller; the smaller the components, the more chips that can be etched onto a wafer, the greater the number of components per chip, and also the faster those chips are able to run. The International Technology Roadmap for Semiconductors (ITRS) (2004) noted that the shrinking of the size of the components on microprocessors and dynamic random access memory chips accelerated in the second half of the 1990s, the period when prices for IT goods also fell very rapidly. Using the terminology of the ITRS, the "technology node cycle"—a rough measure for the length of time it takes for components to shrink by 50%—shifted from three years to two years in the late 1990s and remained at two years through 2003.

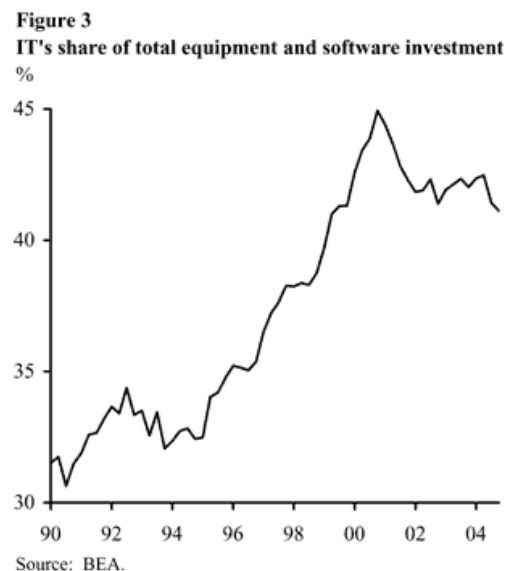


Looking ahead, the ITRS expects the technology node cycle to revert back to three years, a pace that is still very rapid. The continued shrinking of components should allow for further declines in the cost of producing chips and also allow new and better chips to be designed, both of which will result in falling prices.

### **The changing response to falling IT prices**

Although the future of innovation appears fairly bright for IT goods, there remains a question of how nominal IT investment will respond to lower prices (recall that real investment depends on nominal investment and prices). This response to price changes is called the "elasticity" of demand. The demand for a good is more elastic if people are willing to increase their spending on it by more than the amount by which the price of the good has fallen.

Business demand for IT goods during the 1990s appeared to be very elastic; prices for IT goods fell and nominal spending on IT goods surged; indeed, it surged faster than spending on other investment goods. Because nominal spending on IT grew so quickly, the share of total investment spending going to IT goods increased rapidly during the 1990s, as shown in Figure 3. In 1990, nominal investment in IT goods totaled \$132 billion, a bit less than one-third of private nonresidential equipment and software investment (E&S). By 2000, IT investment stood at \$402 billion and its share of E&S investment peaked at 44%, the height of the high-tech bubble. Since then, the IT share has drifted down, reaching 41% by the end of 2004.



The drop in IT's share of E&S investment since 2000 could be preliminary evidence that the demand elasticity for IT investment goods has diminished, that is, that future nominal demand will be less responsive to lower prices than it was in the past. Why would the elasticity change over time? One reason is that the IT sector has matured. During the 1990s, there was a tremendous buildout of new computer and communication networks and the initial adoption of many software programs. Relative to the 1990s, the rate of diffusion of IT has certainly slowed, damping investment. Now when IT products are introduced, firms respond by upgrading their existing IT technology, but the boost from firms delving into IT has likely been lost.

### **Summary**

Technological progress in the IT area will likely continue to lower the prices of IT goods, which in turn helps boost IT spending. However, as the IT industry has matured, the response of business spending on IT goods for a given change in prices may have become more muted recently, suggesting that nominal spending on IT goods may not increase as quickly as it did in the late 1990s. Consequently, real spending may also grow at historically modest rates, though strong relative to other investment goods whose prices do not fall as fast.

## References

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# **IDAHO ECONOMIC FORECAST**

**JULY 2005**

## **FORECAST DETAIL**

Annual Forecast 1991-2008 ..... Page 30

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### **Reporting Conventions**

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**DEMOGRAPHICS**

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>POPULATION</b>									
Idaho (Thousands)	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7
% Ch	2.8%	3.0%	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%
National (Millions)	253.946	257.357	260.688	263.853	266.980	270.115	273.368	276.553	279.731
% Ch	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%
<b>BIRTHS</b>									
Idaho (Thousands)	16.741	17.197	17.575	17.690	17.915	18.482	18.599	19.188	19.897
% Ch	1.9%	2.7%	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%
National (Thousands)	4,110	4,038	3,997	3,964	3,935	3,911	3,892	3,880	3,874
% Ch	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%	-0.2%
<b>DEATHS</b>									
Idaho (Thousands)	7.644	7.887	8.277	8.478	8.553	8.679	8.953	9.105	9.488
% Ch	3.9%	3.2%	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%
National (Thousands)	2,163	2,210	2,237	2,264	2,291	2,318	2,345	2,372	2,399
% Ch	0.0%	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%
<b>NET MIGRATION</b>									
Idaho (Thousands)	19.017	21.659	27.168	27.115	22.652	16.417	15.583	13.836	12.975
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	6,589	9,612	11,550	12,782	9,425	9,237	8,861	10,106	10,335
% Ch	12.5%	45.9%	20.2%	10.7%	-26.3%	-2.0%	-4.1%	14.1%	2.3%
National (Millions)	1.009	1.201	1.292	1.446	1.361	1.469	1.475	1.621	1.647
% Ch	-16.2%	19.1%	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%
<b>SINGLE UNITS</b>									
Idaho	5,660	7,910	8,950	9,424	7,296	7,844	7,652	9,040	9,191
% Ch	18.1%	39.7%	13.1%	5.3%	-22.6%	7.5%	-2.4%	18.1%	1.7%
National (Millions)	0.835	1.032	1.131	1.191	1.082	1.154	1.136	1.278	1.306
% Ch	-7.3%	23.6%	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%
<b>MULTIPLE UNITS</b>									
Idaho	929	1,702	2,600	3,359	2,129	1,393	1,209	1,066	1,144
% Ch	-12.6%	83.2%	52.8%	29.2%	-36.6%	-34.6%	-13.2%	-11.8%	7.3%
National (Millions)	0.174	0.170	0.161	0.255	0.279	0.314	0.338	0.344	0.341
% Ch	-42.6%	-2.4%	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	339.7	347.3	357.0	368.8	377.9	386.3	393.8	402.4	411.4
% Ch	1.5%	2.2%	2.8%	3.3%	2.4%	2.2%	1.9%	2.2%	2.2%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**DEMOGRAPHICS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>POPULATION</b>									
Idaho (Thousands)	1,299.1	1,320.7	1,342.0	1,365.5	1,391.0	1,415.0	1,437.0	1,458.5	1,480.1
% Ch	1.8%	1.7%	1.6%	1.8%	1.9%	1.7%	1.6%	1.5%	1.5%
National (Millions)	282.795	285.721	288.599	291.388	294.098	296.793	299.478	302.146	304.787
% Ch	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>									
Idaho (Thousands)	20.304	20.684	21.002	21.735	22.133	22.578	22.946	23.300	23.654
% Ch	2.0%	1.9%	1.5%	3.5%	1.8%	2.0%	1.6%	1.5%	1.5%
National (Thousands)	3,872	3,876	3,885	3,901	3,925	3,955	3,991	4,033	4,077
% Ch	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%	0.9%	1.0%	1.1%
<b>DEATHS</b>									
Idaho (Thousands)	9.538	9.811	9.935	10.308	10.614	10.792	10.958	11.121	11.285
% Ch	0.5%	2.9%	1.3%	3.8%	3.0%	1.7%	1.5%	1.5%	1.5%
National (Thousands)	2,424	2,446	2,467	2,487	2,507	2,528	2,548	2,569	2,590
% Ch	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>									
Idaho (Thousands)	12.658	10.645	10.247	12.077	14.000	12.216	9.978	9.412	9.222
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	11,468	12,179	13,189	16,321	18,525	20,604	18,181	17,838	17,239
% Ch	11.0%	6.2%	8.3%	23.7%	13.5%	11.2%	-11.8%	-1.9%	-3.4%
National (Millions)	1.573	1.601	1.710	1.854	1.950	2.034	1.814	1.752	1.726
% Ch	-4.5%	1.8%	6.8%	8.4%	5.2%	4.3%	-10.8%	-3.4%	-1.5%
<b>SINGLE UNITS</b>									
Idaho	10,336	10,376	11,132	13,836	16,118	18,466	16,241	15,860	15,300
% Ch	12.5%	0.4%	7.3%	24.3%	16.5%	14.6%	-12.0%	-2.3%	-3.5%
National (Millions)	1.232	1.272	1.363	1.505	1.604	1.660	1.499	1.428	1.395
% Ch	-5.7%	3.2%	7.2%	10.4%	6.6%	3.4%	-9.7%	-4.7%	-2.3%
<b>MULTIPLE UNITS</b>									
Idaho	1,132	1,804	2,058	2,485	2,408	2,138	1,940	1,978	1,939
% Ch	-1.1%	59.4%	14.1%	20.8%	-3.1%	-11.2%	-9.3%	2.0%	-2.0%
National (Millions)	0.341	0.330	0.347	0.349	0.345	0.374	0.314	0.323	0.331
% Ch	0.1%	-3.5%	5.3%	0.5%	-0.9%	8.4%	-16.1%	3.0%	2.4%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	421.2	432.1	443.0	457.0	473.1	492.3	509.5	525.9	541.8
% Ch	2.4%	2.6%	2.5%	3.2%	3.5%	4.1%	3.5%	3.2%	3.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**OUTPUT, INCOME, & WAGES**

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	5,996	6,338	6,657	7,072	7,398	7,817	8,304	8,747	9,268
% Ch	3.3%	5.7%	5.0%	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%
2000 Chain-Weighted	7,101	7,337	7,533	7,835	8,032	8,329	8,704	9,067	9,470
% Ch	-0.2%	3.3%	2.7%	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	16,692	18,318	20,072	21,422	22,871	24,360	25,367	27,287	29,068
% Ch	4.9%	9.7%	9.6%	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%
Idaho Nonfarm (Millions)	15,890	17,475	19,009	20,685	22,057	23,433	24,611	26,350	28,054
% Ch	6.3%	10.0%	8.8%	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%
National (Billions)	5,051	5,362	5,559	5,843	6,152	6,521	6,915	7,423	7,802
% Ch	3.5%	6.2%	3.7%	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%
<b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	20,009	21,342	22,858	23,892	24,973	26,040	26,666	28,429	29,788
% Ch	1.2%	6.7%	7.1%	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%
Idaho Nonfarm (Millions)	19,047	20,359	21,648	23,068	24,085	25,048	25,871	27,452	28,748
% Ch	2.6%	6.9%	6.3%	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%
National (Billions)	6,055	6,247	6,330	6,516	6,718	6,970	7,269	7,734	7,996
% Ch	-0.1%	3.2%	1.3%	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%
<b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	16,031	17,084	18,103	18,708	19,431	20,246	20,649	21,788	22,784
% Ch	2.0%	6.6%	6.0%	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%
National	19,889	20,834	21,322	22,142	23,043	24,139	25,295	26,840	27,891
% Ch	2.2%	4.7%	2.3%	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%
<b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	19,217	19,905	20,617	20,866	21,218	21,642	21,707	22,700	23,349
% Ch	-1.6%	3.6%	3.6%	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%
National	23,842	24,274	24,282	24,695	25,163	25,803	26,591	27,964	28,584
% Ch	-1.4%	1.8%	0.0%	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%
<b>AVERAGE ANNUAL WAGE</b>									
Idaho	20,748	21,613	22,051	22,728	23,594	24,147	24,803	25,822	26,992
% Ch	#DIV/0!	4.2%	2.0%	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%
National	26,047	27,410	27,807	28,279	29,148	30,237	31,582	33,219	34,622
% Ch	3.6%	5.2%	1.4%	1.7%	3.1%	3.7%	4.5%	5.2%	4.2%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**OUTPUT, INCOME, & WAGES**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	9,817	10,128	10,487	11,004	11,735	12,446	13,075	13,741	14,515
% Ch	5.9%	3.2%	3.5%	4.9%	6.6%	6.1%	5.1%	5.1%	5.6%
2000 Chain-Weighted	9,817	9,891	10,075	10,381	10,842	11,226	11,565	11,923	12,319
% Ch	3.7%	0.8%	1.9%	3.0%	4.4%	3.5%	3.0%	3.1%	3.3%
 <b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	31,290	33,054	34,381	35,409	37,874	40,322	42,585	44,887	47,565
% Ch	7.6%	5.6%	4.0%	3.0%	7.0%	6.5%	5.6%	5.4%	6.0%
Idaho Nonfarm (Millions)	30,448	32,039	33,411	34,512	36,921	39,296	41,522	43,773	46,443
% Ch	8.5%	5.2%	4.3%	3.3%	7.0%	6.4%	5.7%	5.4%	6.1%
National (Billions)	8,430	8,724	8,879	9,162	9,690	10,319	10,913	11,491	12,170
% Ch	8.0%	3.5%	1.8%	3.2%	5.8%	6.5%	5.7%	5.3%	5.9%
 <b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	31,289	32,376	33,203	33,559	35,122	36,559	37,900	39,206	40,664
% Ch	5.0%	3.5%	2.6%	1.1%	4.7%	4.1%	3.7%	3.4%	3.7%
Idaho Nonfarm (Millions)	30,447	31,382	32,266	32,708	34,238	35,629	36,954	38,232	39,705
% Ch	5.9%	3.1%	2.8%	1.4%	4.7%	4.1%	3.7%	3.5%	3.9%
National (Billions)	8,429	8,545	8,575	8,683	8,986	9,356	9,712	10,036	10,404
% Ch	5.4%	1.4%	0.3%	1.3%	3.5%	4.1%	3.8%	3.3%	3.7%
 <b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	24,084	25,029	25,620	25,931	27,226	28,495	29,634	30,774	32,134
% Ch	5.7%	3.9%	2.4%	1.2%	5.0%	4.7%	4.0%	3.8%	4.4%
National	29,807	30,534	30,765	31,441	32,945	34,769	36,438	38,030	39,928
% Ch	6.9%	2.4%	0.8%	2.2%	4.8%	5.5%	4.8%	4.4%	5.0%
 <b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	24,084	24,515	24,743	24,576	25,248	25,837	26,375	26,879	27,472
% Ch	3.1%	1.8%	0.9%	-0.7%	2.7%	2.3%	2.1%	1.9%	2.2%
National	29,807	29,908	29,712	29,798	30,552	31,524	32,430	33,217	34,135
% Ch	4.3%	0.3%	-0.7%	0.3%	2.5%	3.2%	2.9%	2.4%	2.8%
 <b>AVERAGE ANNUAL WAGE</b>									
Idaho	28,657	28,737	29,173	29,689	30,816	32,315	33,622	34,906	36,288
% Ch	6.2%	0.3%	1.5%	1.8%	3.8%	4.9%	4.0%	3.8%	4.0%
National	36,642	37,493	38,177	39,258	40,868	43,020	44,904	46,932	49,108
% Ch	5.8%	2.3%	1.8%	2.8%	4.1%	5.3%	4.4%	4.5%	4.6%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**JULY 2005**

**PERSONAL INCOME--CURRENT \$\$**

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	8,525	9,295	9,979	10,896	11,701	12,284	13,078	13,936	15,024
% Ch	7.0%	9.0%	7.4%	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%
National (Billions)	2,823	2,980	3,083	3,232	3,419	3,620	3,878	4,183	4,466
% Ch	2.5%	5.6%	3.4%	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	603	642	836	453	515	643	425	607	690
% Ch	-21.9%	6.5%	30.2%	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%
National (Billions)	27	35	31	34	23	37	34	29	29
% Ch	-16.1%	29.0%	-9.5%	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	1,458	1,769	2,087	2,312	2,229	2,324	2,313	2,480	2,765
% Ch	-4.4%	21.3%	18.0%	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%
National (Billions)	350	393	423	439	469	506	542	598	650
% Ch	0.5%	12.2%	7.5%	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	3,210	3,340	3,568	3,957	4,350	4,718	5,068	5,545	5,546
% Ch	4.6%	4.1%	6.8%	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%
National (Billions)	992	989	997	1,070	1,139	1,221	1,310	1,421	1,412
% Ch	1.8%	-0.3%	0.9%	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	2,011	2,235	2,516	2,729	2,846	2,881	2,929	3,063	3,243
% Ch	10.0%	11.2%	12.6%	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%
National (Billions)	407	442	472	493	494	492	498	530	562
% Ch	7.8%	8.7%	6.8%	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	2,194	2,460	2,645	2,789	3,023	3,319	3,408	3,557	3,776
% Ch	11.5%	12.1%	7.5%	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%
National (Billions)	666	749	790	827	877	925	951	979	1,022
% Ch	12.0%	12.4%	5.4%	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	1,482	1,613	1,767	1,951	2,074	2,134	2,223	2,337	2,480
% Ch	9.2%	8.8%	9.5%	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%
National (Billions)	215	228	240	254	264	275	290	307	323
% Ch	4.2%	6.2%	5.0%	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	174	192	210	238	281	326	369	437	504
% Ch	14.6%	9.9%	9.5%	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**PERSONAL INCOME--CURRENT \$\$**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	16,552	16,880	17,177	17,679	18,846	20,164	21,295	22,506	23,852
% Ch	10.2%	2.0%	1.8%	2.9%	6.6%	7.0%	5.6%	5.7%	6.0%
National (Billions)	4,829	4,943	4,976	5,104	5,373	5,752	6,092	6,429	6,795
% Ch	8.1%	2.4%	0.7%	2.6%	5.3%	7.0%	5.9%	5.5%	5.7%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	471	646	586	484	523	619	667	717	720
% Ch	-31.8%	37.1%	-9.3%	-17.3%	8.1%	18.3%	7.7%	7.6%	0.5%
National (Billions)	23	20	10	22	18	25	16	14	15
% Ch	-20.7%	-13.1%	-50.9%	125.8%	-16.7%	36.5%	-36.2%	-14.1%	10.0%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	2,883	3,312	3,396	3,623	3,967	4,330	4,567	4,839	5,141
% Ch	4.3%	14.9%	2.6%	6.7%	9.5%	9.2%	5.5%	6.0%	6.2%
National (Billions)	706	752	760	812	885	966	1,020	1,078	1,144
% Ch	8.6%	6.6%	1.0%	6.9%	8.9%	9.2%	5.6%	5.7%	6.0%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	5,909	6,195	6,533	6,454	6,830	7,030	7,397	7,772	8,362
% Ch	6.5%	4.8%	5.4%	-1.2%	5.8%	2.9%	5.2%	5.1%	7.6%
National (Billions)	1,537	1,547	1,506	1,477	1,552	1,593	1,676	1,759	1,896
% Ch	8.9%	0.7%	-2.7%	-1.9%	5.1%	2.6%	5.2%	4.9%	7.7%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	3,549	3,647	4,005	4,283	4,701	4,999	5,226	5,412	5,639
% Ch	9.4%	2.8%	9.8%	6.9%	9.8%	6.3%	4.5%	3.6%	4.2%
National (Billions)	610	643	730	809	877	932	976	1,009	1,048
% Ch	8.5%	5.4%	13.5%	10.9%	8.4%	6.3%	4.8%	3.3%	3.9%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	4,079	4,568	4,955	5,218	5,529	5,924	6,364	6,767	7,180
% Ch	8.0%	12.0%	8.5%	5.3%	6.0%	7.1%	7.4%	6.3%	6.1%
National (Billions)	1,084	1,194	1,283	1,335	1,406	1,503	1,613	1,710	1,812
% Ch	6.1%	10.1%	7.4%	4.1%	5.3%	6.9%	7.3%	6.0%	5.9%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	2,676	2,724	2,807	2,893	3,111	3,348	3,542	3,751	3,975
% Ch	7.9%	1.8%	3.1%	3.1%	7.6%	7.6%	5.8%	5.9%	6.0%
National (Billions)	344	357	364	377	401	430	456	482	511
% Ch	6.2%	3.8%	2.0%	3.6%	6.5%	7.3%	5.9%	5.8%	6.0%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	525	531	537	562	589	604	612	626	644
% Ch	4.1%	1.1%	1.2%	4.6%	4.9%	2.6%	1.2%	2.3%	3.0%

National Variables Forecast by Global Insight  
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**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**JULY 2005**

**EMPLOYMENT**

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	394,129	413,477	434,502	460,210	477,046	490,899	507,423	520,477	538,102
% Ch	N/C	4.9%	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%
National (Thousands)	108,384	108,723	110,847	114,282	117,306	119,699	122,767	125,924	128,992
% Ch	-1.0%	0.3%	2.0%	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	80,857	85,008	90,364	97,412	98,311	102,401	105,505	106,974	108,724
% Ch	N/C	5.1%	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%
National (Thousands)	22,591	22,094	22,221	22,777	23,161	23,412	23,884	24,352	24,467
% Ch	-4.8%	-2.2%	0.6%	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%
<b>MANUFACTURING</b>									
Idaho	57,408	59,920	63,132	65,718	65,640	68,313	70,185	71,529	71,217
% Ch	N/C	4.4%	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%
National (Thousands)	17,146	16,879	16,857	17,106	17,327	17,317	17,500	17,640	17,404
% Ch	-3.6%	-1.6%	-0.1%	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%
<b>DURABLE MANUFACTURING</b>									
Idaho	30,152	32,118	34,786	37,821	39,958	42,447	44,215	45,893	45,703
% Ch	N/C	6.5%	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%
National (Thousands)	10,298	10,025	9,983	10,214	10,456	10,565	10,785	10,990	10,912
% Ch	-4.8%	-2.6%	-0.4%	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	9,759	10,460	10,796	11,774	11,864	12,024	11,898	11,465	11,482
% Ch	N/C	7.2%	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.2%
National (Thousands)	577	580	605	643	656	663	677	689	701
% Ch	-7.7%	0.6%	4.3%	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%
<b>METAL FABRICATION</b>									
Idaho	2,460	2,436	2,577	2,958	3,410	3,582	3,793	3,826	3,942
% Ch	N/C	-1.0%	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%
National (Thousands)	1,542	1,497	1,510	1,566	1,624	1,648	1,696	1,739	1,728
% Ch	-4.3%	-2.9%	0.8%	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%
<b>MACHINERY</b>									
Idaho	2,287	2,352	2,613	2,901	3,078	3,189	3,065	3,178	3,039
% Ch	N/C	2.8%	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%
National (Thousands)	1,345	1,310	1,329	1,379	1,440	1,466	1,494	1,512	1,466
% Ch	-4.4%	-2.7%	1.5%	3.8%	4.4%	1.8%	1.9%	1.3%	-3.1%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	10,696	11,744	13,169	13,646	14,325	16,280	17,727	19,054	18,408
% Ch	N/C	9.8%	12.1%	3.6%	5.0%	13.6%	8.9%	7.5%	-3.4%
National (Thousands)	1,809	1,707	1,656	1,651	1,688	1,747	1,803	1,831	1,781
% Ch	-4.9%	-5.6%	-3.0%	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%
<b>OTHER DURABLES</b>									
Idaho	4,949	5,126	5,630	6,542	7,280	7,373	7,733	8,371	8,831
% Ch	N/C	3.6%	9.8%	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%
National (Thousands)	5,025	4,931	4,883	4,975	5,047	5,041	5,115	5,218	5,235
% Ch	-4.8%	-1.9%	-1.0%	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%

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**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**EMPLOYMENT**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	558,577	568,013	567,999	572,494	587,989	602,440	612,863	624,740	637,720
% Ch	3.8%	1.7%	0.0%	0.8%	2.7%	2.5%	1.7%	1.9%	2.1%
National (Thousands)	131,792	131,833	130,345	129,999	131,475	133,701	135,658	136,986	138,364
% Ch	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.5%	1.0%	1.0%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	111,884	110,220	105,012	102,362	105,435	108,546	106,473	105,630	105,806
% Ch	2.9%	-1.5%	-4.7%	-2.5%	3.0%	3.0%	-1.9%	-0.8%	0.2%
National (Thousands)	24,653	23,873	22,555	21,812	21,881	22,135	22,196	22,211	22,225
% Ch	0.8%	-3.2%	-5.5%	-3.3%	0.3%	1.2%	0.3%	0.1%	0.1%
<b>MANUFACTURING</b>									
Idaho	73,035	70,390	66,800	63,860	63,690	64,048	64,296	65,242	65,999
% Ch	2.6%	-3.6%	-5.1%	-4.4%	-0.3%	0.6%	0.4%	1.5%	1.2%
National (Thousands)	17,345	16,515	15,328	14,577	14,396	14,366	14,361	14,350	14,322
% Ch	-0.3%	-4.8%	-7.2%	-4.9%	-1.2%	-0.2%	0.0%	-0.1%	-0.2%
<b>DURABLE MANUFACTURING</b>									
Idaho	47,411	45,098	42,318	39,950	40,560	41,052	41,116	41,911	42,538
% Ch	3.7%	-4.9%	-6.2%	-5.6%	1.5%	1.2%	0.2%	1.9%	1.5%
National (Thousands)	10,956	10,408	9,553	9,031	8,990	9,022	9,040	9,063	9,072
% Ch	0.4%	-5.0%	-8.2%	-5.5%	-0.5%	0.4%	0.2%	0.3%	0.1%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	11,571	9,852	9,557	9,051	9,308	9,200	9,026	8,614	8,604
% Ch	0.8%	-14.9%	-3.0%	-5.3%	2.8%	-1.2%	-1.9%	-4.6%	-0.1%
National (Thousands)	692	647	625	607	617	615	595	563	548
% Ch	-1.3%	-6.4%	-3.4%	-3.0%	1.6%	-0.3%	-3.3%	-5.4%	-2.5%
<b>METAL FABRICATION</b>									
Idaho	4,030	3,875	3,635	3,537	3,636	3,611	3,661	3,742	3,820
% Ch	2.2%	-3.8%	-6.2%	-2.7%	2.8%	-0.7%	1.4%	2.2%	2.1%
National (Thousands)	1,753	1,677	1,549	1,479	1,497	1,519	1,548	1,584	1,617
% Ch	1.4%	-4.4%	-7.6%	-4.5%	1.3%	1.5%	1.9%	2.3%	2.0%
<b>MACHINERY</b>									
Idaho	3,305	3,055	2,831	2,632	2,569	2,556	2,654	2,738	2,718
% Ch	8.7%	-7.6%	-7.3%	-7.0%	-2.4%	-0.5%	3.8%	3.2%	-0.7%
National (Thousands)	1,455	1,368	1,229	1,150	1,142	1,157	1,206	1,223	1,200
% Ch	-0.8%	-6.0%	-10.1%	-6.5%	-0.7%	1.4%	4.2%	1.4%	-1.9%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	19,454	19,653	17,927	16,293	16,282	16,505	16,438	17,377	17,796
% Ch	5.7%	1.0%	-8.8%	-9.1%	-0.1%	1.4%	-0.4%	5.7%	2.4%
National (Thousands)	1,820	1,749	1,507	1,355	1,326	1,319	1,248	1,275	1,300
% Ch	2.2%	-3.9%	-13.8%	-10.1%	-2.1%	-0.6%	-5.3%	2.2%	1.9%
<b>OTHER DURABLES</b>									
Idaho	9,051	8,663	8,367	8,438	8,765	9,179	9,337	9,441	9,600
% Ch	2.5%	-4.3%	-3.4%	0.8%	3.9%	4.7%	1.7%	1.1%	1.7%
National (Thousands)	5,236	4,967	4,643	4,441	4,408	4,412	4,444	4,418	4,407
% Ch	0.0%	-5.1%	-6.5%	-4.3%	-0.7%	0.1%	0.7%	-0.6%	-0.3%

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**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	27,256	27,802	28,346	27,897	25,682	25,865	25,970	25,636	25,514
% Ch	N/C	2.0%	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%
National (Thousands)	6,848	6,854	6,874	6,892	6,871	6,752	6,715	6,650	6,493
% Ch	-1.6%	0.1%	0.3%	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%
<b>FOOD PROCESSING</b>									
Idaho	17,197	17,445	17,856	17,369	16,827	17,119	17,263	16,830	16,704
% Ch	N/C	1.4%	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%
National (Thousands)	1,515	1,519	1,535	1,540	1,561	1,562	1,557	1,555	1,550
% Ch	0.5%	0.3%	1.1%	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%
<b>PRINTING</b>									
Idaho	2,226	2,211	2,231	2,241	2,308	2,365	2,326	2,307	2,234
% Ch	N/C	-0.7%	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%
National (Thousands)	792	780	785	802	817	816	821	828	814
% Ch	-2.0%	-1.5%	0.6%	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%
<b>CHEMICALS</b>									
Idaho	4,172	4,259	4,210	4,099	2,354	2,330	2,273	2,361	2,314
% Ch	N/C	2.1%	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%
National (Thousands)	1,024	1,029	1,025	1,005	988	985	987	993	983
% Ch	-1.1%	0.5%	-0.4%	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%
<b>OTHER NONDURABLES</b>									
Idaho	3,661	3,887	4,049	4,187	4,193	4,051	4,108	4,138	4,262
% Ch	N/C	6.2%	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%
National (Thousands)	3,517	3,526	3,529	3,545	3,505	3,390	3,350	3,274	3,145
% Ch	-2.5%	0.3%	0.1%	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%
<b>MINING</b>									
Idaho	3,098	2,581	2,164	2,367	2,683	2,977	2,996	2,817	2,485
% Ch	N/C	-16.7%	-16.1%	9.4%	13.3%	11.0%	0.7%	-6.0%	-11.8%
National (Thousands)	661	610	585	576	558	556	571	565	518
% Ch	-2.8%	-7.7%	-4.1%	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%
<b>CONSTRUCTION</b>									
Idaho	20,350	22,508	25,068	29,326	29,988	31,112	32,323	32,628	35,023
% Ch	N/C	10.6%	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%
National (Thousands)	4,784	4,605	4,779	5,094	5,276	5,538	5,813	6,147	6,545
% Ch	-9.2%	-3.7%	3.8%	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%
<b>NONGOODS PRODUCING</b>									
Idaho	313,272	328,469	344,139	362,798	378,735	388,498	401,918	413,503	429,378
% Ch	N/C	4.9%	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%
National (Thousands)	85,793	86,629	88,626	91,505	94,145	96,287	98,883	101,571	104,525
% Ch	0.0%	1.0%	2.3%	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%
<b>SERVICES</b>									
Idaho	155,410	163,210	173,523	185,543	196,052	202,105	210,033	217,463	227,555
% Ch	N/C	5.0%	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%
National (Thousands)	49,164	49,904	51,520	53,498	55,382	57,094	59,170	61,256	63,350
% Ch	0.5%	1.5%	3.2%	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%
<b>INFORMATION</b>									
Idaho	6,990	7,083	7,195	7,413	7,602	7,699	7,587	8,376	9,274
% Ch	N/C	1.3%	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%
National (Thousands)	2,678	2,642	2,667	2,739	2,844	2,940	3,084	3,219	3,418
% Ch	-0.4%	-1.3%	1.0%	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	21,116	22,104	23,257	24,520	25,492	26,833	26,835	24,256	25,306
% Ch	N/C	4.7%	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%
National (Thousands)	6,559	6,540	6,708	6,866	6,828	6,969	7,178	7,462	7,646
% Ch	-0.8%	-0.3%	2.6%	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%

**National Variables Forecast by Global Insight  
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**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	25,625	25,292	24,482	23,910	23,130	22,997	23,180	23,331	23,462
% Ch	0.4%	-1.3%	-3.2%	-2.3%	-3.3%	-0.6%	0.8%	0.7%	0.6%
National (Thousands)	6,388	6,106	5,775	5,546	5,406	5,344	5,321	5,286	5,250
% Ch	-1.6%	-4.4%	-5.4%	-4.0%	-2.5%	-1.2%	-0.4%	-0.6%	-0.7%
<b>FOOD PROCESSING</b>									
Idaho	16,659	16,520	16,353	15,899	14,998	14,835	14,975	15,072	15,152
% Ch	-0.3%	-0.8%	-1.0%	-2.8%	-5.7%	-1.1%	0.9%	0.6%	0.5%
National (Thousands)	1,553	1,550	1,525	1,517	1,498	1,492	1,506	1,521	1,532
% Ch	0.2%	-0.2%	-1.6%	-0.5%	-1.2%	-0.5%	1.0%	1.0%	0.8%
<b>PRINTING</b>									
Idaho	2,339	2,225	2,033	2,030	1,922	1,903	1,892	1,885	1,876
% Ch	4.7%	-4.9%	-8.6%	-0.2%	-5.3%	-0.9%	-0.6%	-0.4%	-0.5%
National (Thousands)	807	769	707	680	665	661	665	669	673
% Ch	-0.9%	-4.7%	-8.1%	-3.7%	-2.3%	-0.6%	0.7%	0.6%	0.6%
<b>CHEMICALS</b>									
Idaho	2,336	2,323	1,925	1,830	1,877	1,854	1,802	1,754	1,700
% Ch	1.0%	-0.5%	-17.2%	-4.9%	2.5%	-1.2%	-2.8%	-2.6%	-3.1%
National (Thousands)	980	959	927	906	887	875	871	860	844
% Ch	-0.2%	-2.2%	-3.3%	-2.3%	-2.1%	-1.4%	-0.4%	-1.3%	-1.8%
<b>OTHER NONDURABLES</b>									
Idaho	4,290	4,224	4,172	4,151	4,334	4,405	4,511	4,620	4,733
% Ch	0.7%	-1.5%	-1.2%	-0.5%	4.4%	1.6%	2.4%	2.4%	2.4%
National (Thousands)	3,048	2,829	2,616	2,443	2,356	2,317	2,279	2,237	2,200
% Ch	-3.1%	-7.2%	-7.5%	-6.6%	-3.6%	-1.7%	-1.7%	-1.8%	-1.6%
<b>MINING</b>									
Idaho	2,347	1,973	1,758	1,784	1,930	2,002	1,945	1,711	1,402
% Ch	-5.5%	-15.9%	-10.9%	1.5%	8.2%	3.7%	-2.8%	-12.1%	-18.1%
National (Thousands)	520	532	512	503	523	566	581	555	527
% Ch	0.5%	2.4%	-3.8%	-1.8%	4.1%	8.2%	2.6%	-4.4%	-5.2%
<b>CONSTRUCTION</b>									
Idaho	36,502	37,856	36,454	36,718	39,814	42,496	40,232	38,678	38,404
% Ch	4.2%	3.7%	-3.7%	0.7%	8.4%	6.7%	-5.3%	-3.9%	-0.7%
National (Thousands)	6,788	6,826	6,714	6,732	6,961	7,203	7,254	7,306	7,377
% Ch	3.7%	0.6%	-1.6%	0.3%	3.4%	3.5%	0.7%	0.7%	1.0%
<b>NONGOODS PRODUCING</b>									
Idaho	446,693	457,794	462,987	470,132	482,554	493,894	506,390	519,110	531,915
% Ch	4.0%	2.5%	1.1%	1.5%	2.6%	2.3%	2.5%	2.5%	2.5%
National (Thousands)	107,139	107,960	107,791	108,187	109,593	111,565	113,463	114,775	116,139
% Ch	2.5%	0.8%	-0.2%	0.4%	1.3%	1.8%	1.7%	1.2%	1.2%
<b>SERVICES</b>									
Idaho	238,277	249,568	253,616	260,002	268,966	277,555	286,888	296,263	305,632
% Ch	4.7%	4.7%	1.6%	2.5%	3.4%	3.2%	3.4%	3.3%	3.2%
National (Thousands)	65,137	65,829	65,602	66,074	67,281	68,850	70,222	71,287	72,508
% Ch	2.8%	1.1%	-0.3%	0.7%	1.8%	2.3%	2.0%	1.5%	1.7%
<b>INFORMATION</b>									
Idaho	9,859	9,595	9,156	9,182	9,936	10,708	11,069	11,341	11,575
% Ch	6.3%	-2.7%	-4.6%	0.3%	8.2%	7.8%	3.4%	2.5%	2.1%
National (Thousands)	3,629	3,628	3,393	3,188	3,138	3,141	3,146	3,197	3,244
% Ch	6.2%	0.0%	-6.5%	-6.0%	-1.6%	0.1%	0.1%	1.6%	1.5%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	25,161	25,013	25,824	26,945	27,938	29,124	29,885	30,578	31,215
% Ch	-0.6%	-0.6%	3.2%	4.3%	3.7%	4.2%	2.6%	2.3%	2.1%
National (Thousands)	7,688	7,809	7,848	7,975	8,051	8,232	8,247	8,208	8,210
% Ch	0.5%	1.6%	0.5%	1.6%	0.9%	2.2%	0.2%	-0.5%	0.0%

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**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	13,478	14,055	14,557	15,465	16,508	17,329	17,624	18,158	19,004
% Ch	N/C	4.3%	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%
National (Thousands)	4,200	4,188	4,264	4,390	4,505	4,576	4,647	4,781	4,906
% Ch	-0.4%	-0.3%	1.8%	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	32,720	33,756	36,872	39,173	42,480	42,934	47,295	50,766	54,792
% Ch	N/C	3.2%	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%
National (Thousands)	10,715	10,967	11,493	12,171	12,846	13,461	14,333	15,142	15,954
% Ch	-1.2%	2.3%	4.8%	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	32,043	34,554	36,841	39,048	41,491	44,361	46,347	49,248	50,574
% Ch	N/C	7.8%	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%
National (Thousands)	11,507	11,890	12,303	12,806	13,288	13,683	14,088	14,445	14,795
% Ch	4.8%	3.3%	3.5%	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	37,432	39,614	41,375	44,569	46,651	47,558	48,840	50,425	51,461
% Ch	N/C	5.8%	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%
National (Thousands)	9,256	9,439	9,733	10,098	10,499	10,774	11,016	11,232	11,544
% Ch	-0.3%	2.0%	3.1%	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%
<b>OTHER SERVICES</b>									
Idaho	11,631	12,045	13,426	15,355	15,829	15,393	15,506	16,235	17,144
% Ch	N/C	3.6%	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%
National (Thousands)	4,249	4,240	4,350	4,429	4,572	4,691	4,825	4,976	5,087
% Ch	-0.3%	-0.2%	2.6%	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%
<b>TRADE</b>									
Idaho	72,496	75,916	78,874	83,336	86,215	89,134	91,683	93,773	96,725
% Ch	N/C	4.7%	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%
National (Thousands)	18,083	17,939	18,113	18,733	19,328	19,663	20,053	20,405	20,863
% Ch	-2.0%	-0.8%	1.0%	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%
<b>RETAIL TRADE</b>									
Idaho	52,323	54,822	57,743	61,034	63,162	65,408	67,175	69,160	71,418
% Ch	N/C	4.8%	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%
National (Thousands)	12,897	12,829	13,019	13,486	13,895	14,141	14,390	14,610	14,971
% Ch	-2.2%	-0.5%	1.5%	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%
<b>WHOLESALE TRADE</b>									
Idaho	20,173	21,094	21,132	22,303	23,053	23,726	24,508	24,613	25,307
% Ch	N/C	4.6%	0.2%	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%
National (Thousands)	5,186	5,110	5,094	5,247	5,433	5,523	5,663	5,795	5,893
% Ch	-1.6%	-1.5%	-0.3%	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	72,468	75,893	78,166	80,426	83,355	84,360	87,298	89,468	92,264
% Ch	N/C	4.7%	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%
National (Thousands)	14,791	15,218	15,436	15,674	15,931	16,258	16,488	16,653	16,854
% Ch	2.6%	2.9%	1.4%	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%
<b>EDUCATION</b>									
Idaho	37,568	38,516	39,830	40,542	42,571	42,572	44,219	45,413	46,750
% Ch	N/C	2.5%	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%
<b>NONEDUCATION</b>									
Idaho	34,900	37,377	38,336	39,884	40,783	41,787	43,079	44,056	45,515
% Ch	N/C	7.1%	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%
<b>FEDERAL GOVERNMENT</b>									
Idaho	12,899	13,450	13,575	13,493	13,113	12,899	12,903	12,800	12,834
% Ch	N/C	4.3%	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%
National (Thousands)	3,111	3,112	3,062	3,016	2,947	2,876	2,806	2,771	2,770
% Ch	-0.4%	0.0%	-1.6%	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%

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**JULY 2005**  
**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	19,409	19,156	18,674	18,760	18,943	19,018	19,405	19,808	20,211
% Ch	2.1%	-1.3%	-2.5%	0.5%	1.0%	0.4%	2.0%	2.1%	2.0%
National (Thousands)	5,013	4,974	4,822	4,762	4,819	4,936	5,017	5,081	5,189
% Ch	2.2%	-0.8%	-3.1%	-1.2%	1.2%	2.4%	1.7%	1.3%	2.1%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	60,623	67,647	69,004	69,990	73,129	75,401	78,492	81,767	84,934
% Ch	10.6%	11.6%	2.0%	1.4%	4.5%	3.1%	4.1%	4.2%	3.9%
National (Thousands)	16,670	16,483	15,977	15,985	16,410	16,935	17,445	18,034	18,764
% Ch	4.5%	-1.1%	-3.1%	0.0%	2.7%	3.2%	3.0%	3.4%	4.0%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	53,017	56,956	59,810	62,552	65,218	67,477	69,666	71,912	74,282
% Ch	4.8%	7.4%	5.0%	4.6%	4.3%	3.5%	3.2%	3.2%	3.3%
National (Thousands)	15,109	15,645	16,202	16,587	16,952	17,314	17,612	17,819	17,991
% Ch	2.1%	3.5%	3.6%	2.4%	2.2%	2.1%	1.7%	1.2%	1.0%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	52,565	53,058	53,280	54,405	55,531	57,283	59,372	61,414	63,455
% Ch	2.1%	0.9%	0.4%	2.1%	2.1%	3.2%	3.6%	3.4%	3.3%
National (Thousands)	11,860	12,032	11,988	12,176	12,481	12,796	13,166	13,296	13,402
% Ch	2.7%	1.5%	-0.4%	1.6%	2.5%	2.5%	2.9%	1.0%	0.8%
<b>OTHER SERVICES</b>									
Idaho	17,643	18,143	17,867	18,168	18,271	18,544	18,999	19,442	19,961
% Ch	2.9%	2.8%	-1.5%	1.7%	0.6%	1.5%	2.5%	2.3%	2.7%
National (Thousands)	5,168	5,258	5,372	5,400	5,431	5,497	5,590	5,653	5,708
% Ch	1.6%	1.7%	2.2%	0.5%	0.6%	1.2%	1.7%	1.1%	1.0%
<b>TRADE</b>									
Idaho	100,168	98,084	97,337	97,110	99,121	101,350	104,173	107,083	109,992
% Ch	3.6%	-2.1%	-0.8%	-0.2%	2.1%	2.2%	2.8%	2.8%	2.7%
National (Thousands)	21,212	21,012	20,677	20,528	20,692	20,910	21,113	21,199	21,269
% Ch	1.7%	-0.9%	-1.6%	-0.7%	0.8%	1.1%	1.0%	0.4%	0.3%
<b>RETAIL TRADE</b>									
Idaho	74,455	72,619	72,390	72,614	73,713	75,441	77,640	79,904	82,168
% Ch	4.3%	-2.5%	-0.3%	0.3%	1.5%	2.3%	2.9%	2.9%	2.8%
National (Thousands)	15,279	15,239	15,024	14,920	15,038	15,191	15,359	15,457	15,515
% Ch	2.1%	-0.3%	-1.4%	-0.7%	0.8%	1.0%	1.1%	0.6%	0.4%
<b>WHOLESALE TRADE</b>									
Idaho	25,713	25,466	24,947	24,496	25,408	25,909	26,533	27,179	27,824
% Ch	1.6%	-1.0%	-2.0%	-1.8%	3.7%	2.0%	2.4%	2.4%	2.4%
National (Thousands)	5,933	5,773	5,653	5,608	5,654	5,719	5,753	5,742	5,754
% Ch	0.7%	-2.7%	-2.1%	-0.8%	0.8%	1.1%	0.6%	-0.2%	0.2%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	94,746	96,863	98,485	99,400	101,157	101,934	102,271	102,766	103,343
% Ch	2.7%	2.2%	1.7%	0.9%	1.8%	0.8%	0.3%	0.5%	0.6%
National (Thousands)	17,925	18,355	18,745	18,822	18,892	19,079	19,391	19,552	19,623
% Ch	6.4%	2.4%	2.1%	0.4%	0.4%	1.0%	1.6%	0.8%	0.4%
<b>EDUCATION</b>									
Idaho	47,989	49,023	49,653	49,911	50,826	50,951	51,195	51,684	52,187
% Ch	2.7%	2.2%	1.3%	0.5%	1.8%	0.2%	0.5%	1.0%	1.0%
<b>NONEDUCATION</b>									
Idaho	46,757	47,840	48,832	49,488	50,331	50,983	51,075	51,082	51,156
% Ch	2.7%	2.3%	2.1%	1.3%	1.7%	1.3%	0.2%	0.0%	0.1%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,502	13,278	13,549	13,621	13,310	13,055	13,059	12,999	12,948
% Ch	5.2%	-1.7%	2.0%	0.5%	-2.3%	-1.9%	0.0%	-0.5%	-0.4%
National (Thousands)	2,865	2,764	2,767	2,763	2,728	2,727	2,737	2,737	2,739
% Ch	3.4%	-3.5%	0.1%	-0.2%	-1.2%	-0.1%	0.4%	0.0%	0.1%

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**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**MISCELLANEOUS**

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	84.457	86.402	88.391	90.265	92.115	93.859	95.415	96.475	97.868
% Ch	3.5%	2.3%	2.3%	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%
<b>Consumption Expenditures</b>	83.419	85.825	87.804	89.654	91.577	93.547	95.124	95.978	97.575
% Ch	3.6%	2.9%	2.3%	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%
<b>Durable Goods</b>	106.081	106.756	107.841	109.978	110.672	109.507	107.068	104.152	101.626
% Ch	1.5%	0.6%	1.0%	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%
<b>Nondurable Goods</b>	86.779	88.105	88.973	89.605	90.629	92.567	93.835	93.821	96.173
% Ch	3.0%	1.5%	1.0%	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%
<b>Services</b>	77.497	80.684	83.345	85.748	88.320	90.844	93.305	95.319	97.393
% Ch	4.4%	4.1%	3.3%	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%
<b>Consumer Price Index (1982-84=1.000)</b>	1.362	1.403	1.445	1.482	1.524	1.569	1.605	1.630	1.666
% Ch	4.2%	3.0%	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%
<b>SELECTED INTEREST RATES</b>									
<b>Federal Funds</b>	5.7%	3.5%	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%
<b>NY Fed Discount</b>	5.5%	3.3%	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%
<b>Prime</b>	8.5%	6.3%	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%
<b>Existing Home Mortgage</b>	9.3%	8.1%	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%
<b>U.S. Govt. 3-Month Bills</b>	5.4%	3.4%	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%
<b>U.S. Govt. 6-Month Bills</b>	5.5%	3.6%	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%
<b>U.S. Govt. 5-Year Notes</b>	7.4%	6.2%	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%
<b>U.S. Govt. 10-Year Notes</b>	7.9%	7.0%	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%
<b>SELECTED US PRODUCTION INDICES</b>									
<b>Wood Products</b>	81.2	85.7	86.7	91.8	94.0	97.1	100.0	104.5	108.8
% Ch	-6.4%	5.5%	1.1%	5.9%	2.4%	3.3%	3.0%	4.5%	4.2%
<b>Computers &amp; Electronic Products</b>	30.3	34.2	37.7	44.8	58.1	74.3	100.0	128.5	169.7
% Ch	3.9%	12.8%	10.4%	18.7%	29.8%	27.8%	34.6%	28.5%	32.0%
<b>Food</b>	92.1	93.8	96.3	96.9	99.3	97.3	100.0	104.4	105.5
% Ch	1.8%	1.9%	2.7%	0.6%	2.6%	-2.0%	2.8%	4.4%	1.1%
<b>Agricultural Chemicals</b>	90.5	94.3	95.1	94.9	94.6	96.4	100.0	102.2	92.2
% Ch	-3.4%	4.2%	0.8%	-0.2%	-0.4%	2.0%	3.7%	2.2%	-9.8%
<b>Metal Ore Mining</b>	84.6	90.8	90.2	91.9	92.8	94.8	100.0	99.6	91.4
% Ch	-0.3%	7.3%	-0.7%	1.9%	1.0%	2.2%	5.4%	-0.4%	-8.2%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2005**

**MISCELLANEOUS**

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	100.000	102.402	104.097	106.004	108.298	110.879	113.059	115.242	117.817
% Ch	2.2%	2.4%	1.7%	1.8%	2.2%	2.4%	2.0%	1.9%	2.2%
<b>Consumption Expenditures</b>	100.000	102.094	103.548	105.511	107.825	110.288	112.355	114.486	116.964
% Ch	2.5%	2.1%	1.4%	1.9%	2.2%	2.3%	1.9%	1.9%	2.2%
<b>Durable Goods</b>	100.000	98.114	95.475	92.245	90.378	90.154	89.733	89.369	89.058
% Ch	-1.6%	-1.9%	-2.7%	-3.4%	-2.0%	-0.2%	-0.5%	-0.4%	-0.3%
<b>Nondurable Goods</b>	100.000	101.531	102.097	104.154	107.626	110.527	111.583	112.697	114.362
% Ch	4.0%	1.5%	0.6%	2.0%	3.3%	2.7%	1.0%	1.0%	1.5%
<b>Services</b>	100.000	103.257	106.083	109.237	112.000	114.928	118.148	121.435	125.048
% Ch	2.7%	3.3%	2.7%	3.0%	2.5%	2.6%	2.8%	2.8%	3.0%
<b>Consumer Price Index (1982-84=100)</b>	1.722	1.771	1.798	1.840	1.889	1.943	1.981	2.017	2.059
% Ch	3.4%	2.8%	1.6%	2.3%	2.7%	2.9%	2.0%	1.8%	2.1%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	4.0%	4.2%	4.5%
<b>NY Fed Discount</b>	5.7%	3.4%	1.2%	2.1%	2.3%	4.2%	5.0%	5.2%	5.5%
<b>Prime</b>	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	7.0%	7.2%	7.5%
<b>Existing Home Mortgage</b>	8.0%	7.0%	6.5%	5.7%	5.7%	6.0%	6.5%	6.6%	7.0%
<b>U.S. Govt. 3-Month Bills</b>	5.8%	3.4%	1.6%	1.0%	1.4%	3.1%	3.9%	4.1%	4.4%
<b>U.S. Govt. 6-Month Bills</b>	5.9%	3.4%	1.7%	1.1%	1.6%	3.3%	4.0%	4.3%	4.6%
<b>U.S. Govt. 5-Year Notes</b>	6.2%	4.6%	3.8%	3.0%	3.4%	4.2%	4.7%	5.0%	5.3%
<b>U.S. Govt. 10-Year Notes</b>	6.0%	5.0%	4.6%	4.0%	4.3%	4.5%	4.9%	5.2%	5.5%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	107.3	100.4	102.6	100.9	104.6	102.0	98.8	95.2	94.8
% Ch	-1.4%	-6.4%	2.1%	-1.6%	3.7%	-2.5%	-3.2%	-3.6%	-0.4%
<b>Computers &amp; Electronic Products</b>	224.9	227.3	222.2	251.5	288.9	335.9	364.0	408.8	466.3
% Ch	32.6%	1.1%	-2.2%	13.2%	14.9%	16.3%	8.4%	12.3%	14.1%
<b>Food</b>	107.3	107.4	109.4	109.6	111.5	114.0	115.8	118.0	120.2
% Ch	1.7%	0.0%	1.9%	0.1%	1.8%	2.2%	1.6%	1.9%	1.8%
<b>Agricultural Chemicals</b>	86.9	80.0	81.0	81.0	81.2	80.7	80.4	79.6	79.2
% Ch	-5.7%	-8.0%	1.3%	0.0%	0.3%	-0.6%	-0.5%	-0.9%	-0.5%
<b>Metal Ore Mining</b>	91.0	82.7	75.7	70.4	72.1	78.2	81.8	84.5	86.5
% Ch	-0.4%	-9.2%	-8.4%	-7.0%	2.5%	8.5%	4.5%	3.3%	2.4%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**DEMOGRAPHICS**

	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4	Q1	2004 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,333.2	1,339.4	1,344.8	1,350.4	1,356.5	1,362.4	1,368.3	1,374.7	1,381.2	1,387.6	1,394.3	1,400.9
% Ch	1.6%	1.9%	1.6%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	2.0%	1.9%
National (Millions)	287.487	288.205	289.001	289.703	290.340	291.049	291.745	292.417	293.088	293.759	294.436	295.109
% Ch	0.9%	1.0%	1.1%	1.0%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	20.860	20.935	21.017	21.197	21.387	21.635	21.850	22.071	21.937	22.062	22.202	22.332
% Ch	1.3%	1.4%	1.6%	3.5%	3.6%	4.7%	4.0%	4.1%	-2.4%	2.3%	2.6%	2.4%
National (Thousands)	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909	3,915	3,921	3,928	3,935
% Ch	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.7%	0.8%
<b>DEATHS</b>												
Idaho (Thousands)	9.894	9.912	9.955	9.977	10.100	10.270	10.390	10.470	10.542	10.589	10.638	10.686
% Ch	1.1%	0.7%	1.7%	0.9%	5.0%	6.9%	4.8%	3.1%	2.8%	1.8%	1.9%	1.8%
National (Thousands)	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495	2,499	2,504	2,510	2,515
% Ch	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>												
Idaho (Thousands)	8.943	9.907	10.734	11.403	11.959	11.567	12.074	12.707	13.360	13.731	14.435	14.473
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	11,536	12,388	13,036	15,797	16,065	15,054	16,526	17,639	16,700	17,608	19,257	20,536
% Ch	23.2%	33.0%	22.6%	115.6%	7.0%	-22.9%	45.2%	29.8%	-19.7%	23.6%	43.1%	29.3%
National (Millions)	1.723	1.691	1.697	1.730	1.736	1.754	1.890	2.036	1.929	1.923	1.974	1.973
% Ch	45.1%	-7.2%	1.5%	7.8%	1.5%	4.1%	34.8%	34.7%	-19.4%	-1.2%	11.1%	-0.3%
<b>SINGLE UNITS</b>												
Idaho	10,028	10,795	11,400	12,304	12,830	12,889	14,203	15,421	14,421	15,157	16,551	18,343
% Ch	23.1%	34.3%	24.4%	35.7%	18.2%	1.9%	47.4%	39.0%	-23.5%	22.0%	42.2%	50.9%
National (Millions)	1.370	1.349	1.339	1.395	1.412	1.426	1.525	1.657	1.562	1.600	1.635	1.621
% Ch	41.5%	-6.1%	-3.0%	17.9%	5.1%	3.9%	30.7%	39.6%	-21.2%	10.1%	9.1%	-3.4%
<b>MULTIPLE UNITS</b>												
Idaho	1,508	1,594	1,636	3,493	3,236	2,165	2,323	2,218	2,279	2,451	2,706	2,193
% Ch	23.9%	24.7%	11.2%	1976.4%	-26.4%	-80.0%	32.6%	-17.0%	11.6%	33.7%	48.6%	-56.9%
National (Millions)	0.353	0.342	0.359	0.335	0.324	0.328	0.365	0.378	0.367	0.323	0.339	0.352
% Ch	59.8%	-11.6%	21.0%	-24.2%	-12.5%	5.0%	54.0%	15.4%	-11.5%	-39.8%	21.3%	15.8%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	438.5	441.3	444.2	447.8	451.5	454.9	458.7	462.8	466.6	470.7	475.1	479.9
% Ch	2.4%	2.5%	2.7%	3.3%	3.3%	3.1%	3.4%	3.6%	3.3%	3.5%	3.8%	4.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**DEMOGRAPHICS**

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,406.5	1,412.2	1,417.8	1,423.5	1,428.9	1,434.3	1,439.7	1,445.1	1,450.5	1,455.8	1,461.2	1,466.6
% Ch	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Millions)	295.783	296.457	297.131	297.803	298.474	299.145	299.813	300.480	301.148	301.816	302.481	303.139
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	22.431	22.529	22.627	22.725	22.813	22.902	22.990	23.079	23.167	23.256	23.344	23.433
% Ch	1.8%	1.8%	1.7%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Thousands)	3,943	3,951	3,959	3,968	3,977	3,986	3,995	4,006	4,017	4,027	4,038	4,049
% Ch	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	1.1%	1.1%	1.0%	1.1%	1.1%
<b>DEATHS</b>												
Idaho (Thousands)	10.728	10.771	10.813	10.856	10.896	10.937	10.978	11.019	11.060	11.101	11.142	11.183
% Ch	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Thousands)	2,520	2,525	2,531	2,536	2,540	2,545	2,550	2,556	2,561	2,566	2,571	2,576
% Ch	0.8%	0.8%	1.0%	0.8%	0.6%	0.8%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>												
Idaho (Thousands)	13.607	12.844	11.673	10.742	10.424	10.126	9.829	9.531	9.484	9.436	9.388	9.341
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	22,945	21,214	19,694	18,563	18,265	18,182	18,147	18,128	18,082	17,929	17,742	17,599
% Ch	55.8%	-26.9%	-25.7%	-21.1%	-6.3%	-1.8%	-0.8%	-0.4%	-1.0%	-3.4%	-4.1%	-3.2%
National (Millions)	2.084	2.073	2.039	1.940	1.873	1.819	1.791	1.771	1.758	1.751	1.750	1.747
% Ch	24.5%	-2.1%	-6.5%	-18.1%	-13.1%	-11.0%	-6.1%	-4.3%	-2.9%	-1.6%	-0.3%	-0.7%
<b>SINGLE UNITS</b>												
Idaho	20,775	19,030	17,542	16,515	16,316	16,256	16,217	16,175	16,096	15,941	15,770	15,633
% Ch	64.6%	-29.6%	-27.8%	-21.4%	-4.7%	-1.5%	-1.0%	-1.0%	-1.9%	-3.8%	-4.2%	-3.4%
National (Millions)	1.705	1.678	1.660	1.595	1.551	1.511	1.482	1.454	1.442	1.430	1.422	1.419
% Ch	22.4%	-6.2%	-4.3%	-14.6%	-10.8%	-9.8%	-7.6%	-7.2%	-3.4%	-3.4%	-2.0%	-0.8%
<b>MULTIPLE UNITS</b>												
Idaho	2,170	2,184	2,152	2,048	1,949	1,926	1,930	1,954	1,986	1,988	1,972	1,965
% Ch	-4.2%	2.6%	-5.8%	-18.0%	-17.9%	-4.6%	0.7%	5.1%	6.8%	0.3%	-3.1%	-1.3%
National (Millions)	0.379	0.395	0.379	0.344	0.322	0.308	0.309	0.317	0.317	0.322	0.328	0.328
% Ch	34.4%	18.0%	-15.2%	-32.1%	-23.0%	-16.6%	1.8%	10.5%	-0.7%	6.9%	7.6%	-0.2%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	485.3	490.2	494.8	499.0	503.2	507.4	511.6	515.7	519.8	523.9	528.0	532.0
% Ch	4.6%	4.1%	3.8%	3.5%	3.4%	3.4%	3.3%	3.3%	3.2%	3.2%	3.1%	3.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**OUTPUT, INCOME, & WAGES**

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	10,338	10,446	10,547	10,618	10,745	10,884	11,117	11,271	11,473	11,658	11,815	11,995
% Ch	4.4%	4.2%	3.9%	2.7%	4.9%	5.3%	8.8%	5.7%	7.4%	6.6%	5.5%	6.2%
2000 Chain-Weighted	9,994	10,053	10,117	10,136	10,184	10,287	10,473	10,581	10,698	10,785	10,891	10,994
% Ch	3.4%	2.4%	2.6%	0.7%	1.9%	4.1%	7.4%	4.2%	4.5%	3.3%	4.0%	3.8%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	33,997	34,477	34,448	34,602	34,844	35,091	35,588	36,114	36,715	37,558	37,914	39,310
% Ch	8.4%	5.8%	-0.3%	1.8%	2.8%	2.9%	5.8%	6.0%	6.8%	9.5%	3.8%	15.6%
Idaho Nonfarm (Millions)	33,006	33,412	33,509	33,715	34,114	34,208	34,653	35,072	35,792	36,586	37,026	38,279
% Ch	9.8%	5.0%	1.2%	2.5%	4.8%	1.1%	5.3%	4.9%	8.5%	9.2%	4.9%	14.2%
National (Billions)	8,804	8,897	8,896	8,919	9,002	9,106	9,209	9,330	9,445	9,593	9,700	10,020
% Ch	2.2%	4.3%	-0.1%	1.1%	3.8%	4.7%	4.6%	5.3%	5.0%	6.4%	4.6%	13.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	33,116	33,348	33,157	33,191	33,159	33,335	33,672	34,068	34,358	34,878	35,099	36,152
% Ch	7.4%	2.8%	-1.9%	0.4%	-0.4%	2.1%	4.1%	4.8%	3.4%	6.2%	2.6%	12.6%
Idaho Nonfarm (Millions)	32,151	32,318	32,253	32,341	32,465	32,496	32,788	33,085	33,494	33,976	34,277	35,204
% Ch	8.9%	2.1%	-0.8%	1.1%	1.5%	0.4%	3.6%	3.7%	5.0%	5.9%	3.6%	11.3%
National (Billions)	8,575	8,606	8,562	8,556	8,567	8,650	8,714	8,801	8,839	8,908	8,980	9,215
% Ch	1.4%	1.4%	-2.0%	-0.3%	0.5%	3.9%	3.0%	4.1%	1.7%	3.2%	3.3%	10.9%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	25,500	25,740	25,616	25,623	25,688	25,757	26,008	26,270	26,582	27,068	27,192	28,062
% Ch	6.6%	3.8%	-1.9%	0.1%	1.0%	1.1%	4.0%	4.1%	4.8%	7.5%	1.8%	13.4%
National	30,623	30,871	30,781	30,787	31,006	31,286	31,566	31,907	32,226	32,655	32,946	33,954
% Ch	1.3%	3.3%	-1.2%	0.1%	2.9%	3.7%	3.6%	4.4%	4.1%	5.4%	3.6%	12.8%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	24,839	24,897	24,656	24,578	24,446	24,468	24,608	24,782	24,875	25,136	25,173	25,807
% Ch	5.7%	0.9%	-3.8%	-1.2%	-2.1%	0.4%	2.3%	2.8%	1.5%	4.3%	0.6%	10.5%
National	29,829	29,860	29,627	29,532	29,507	29,720	29,867	30,099	30,157	30,325	30,499	31,227
% Ch	0.4%	0.4%	-3.1%	-1.3%	-0.3%	2.9%	2.0%	3.1%	0.8%	2.2%	2.3%	9.9%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	29,101	29,054	29,211	29,327	29,494	29,529	29,831	29,903	30,168	30,538	30,837	31,722
% Ch	3.9%	-0.6%	2.2%	1.6%	2.3%	0.5%	4.2%	1.0%	3.6%	5.0%	4.0%	12.0%
National	37,979	38,208	38,236	38,287	38,613	39,072	39,484	39,863	40,134	40,455	41,016	41,865
% Ch	4.0%	2.4%	0.3%	0.5%	3.5%	4.8%	4.3%	3.9%	2.7%	3.2%	5.7%	8.5%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**OUTPUT, INCOME, & WAGES**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	12,192	12,367	12,537	12,689	12,850	13,010	13,142	13,299	13,464	13,648	13,827	14,023
% Ch	6.7%	5.9%	5.6%	4.9%	5.2%	5.1%	4.1%	4.9%	5.0%	5.6%	5.3%	5.8%
2000 Chain-Weighted	11,089	11,175	11,280	11,362	11,444	11,527	11,601	11,687	11,771	11,875	11,970	12,075
% Ch	3.5%	3.1%	3.8%	3.0%	2.9%	2.9%	2.6%	3.0%	2.9%	3.6%	3.2%	3.6%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	39,725	40,002	40,569	40,991	41,733	42,319	42,911	43,376	43,965	44,547	45,197	45,840
% Ch	4.3%	2.8%	5.8%	4.2%	7.4%	5.7%	5.7%	4.4%	5.5%	5.4%	6.0%	5.8%
Idaho Nonfarm (Millions)	38,674	38,997	39,471	40,043	40,692	41,256	41,835	42,305	42,831	43,437	44,090	44,732
% Ch	4.2%	3.4%	5.0%	5.9%	6.6%	5.7%	5.7%	4.6%	5.1%	5.8%	6.1%	5.9%
National (Billions)	10,100	10,258	10,394	10,525	10,700	10,846	10,988	11,116	11,255	11,408	11,568	11,733
% Ch	3.2%	6.4%	5.4%	5.1%	6.8%	5.6%	5.3%	4.7%	5.1%	5.5%	5.7%	5.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	36,347	36,305	36,696	36,889	37,391	37,728	38,123	38,358	38,697	39,017	39,385	39,724
% Ch	2.2%	-0.5%	4.4%	2.1%	5.6%	3.7%	4.3%	2.5%	3.6%	3.4%	3.8%	3.5%
Idaho Nonfarm (Millions)	35,385	35,393	35,703	36,036	36,458	36,780	37,167	37,412	37,698	38,045	38,420	38,763
% Ch	2.1%	0.1%	3.6%	3.8%	4.8%	3.6%	4.3%	2.7%	3.1%	3.7%	4.0%	3.6%
National (Billions)	9,241	9,310	9,402	9,472	9,587	9,670	9,762	9,830	9,906	9,992	10,080	10,168
% Ch	1.1%	3.0%	4.0%	3.0%	4.9%	3.5%	3.9%	2.8%	3.1%	3.5%	3.6%	3.5%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	28,243	28,327	28,614	28,797	29,207	29,506	29,807	30,017	30,311	30,599	30,931	31,255
% Ch	2.6%	1.2%	4.1%	2.6%	5.8%	4.2%	4.1%	2.8%	4.0%	3.8%	4.4%	4.3%
National	34,147	34,604	34,983	35,341	35,848	36,258	36,650	36,995	37,374	37,798	38,244	38,705
% Ch	2.3%	5.5%	4.5%	4.2%	5.9%	4.7%	4.4%	3.8%	4.2%	4.6%	4.8%	4.9%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	25,842	25,709	25,882	25,915	26,169	26,305	26,481	26,544	26,679	26,800	26,953	27,085
% Ch	0.5%	-2.0%	2.7%	0.5%	4.0%	2.1%	2.7%	1.0%	2.0%	1.8%	2.3%	2.0%
National	31,243	31,406	31,643	31,805	32,119	32,324	32,561	32,716	32,895	33,106	33,325	33,541
% Ch	0.2%	2.1%	3.1%	2.1%	4.0%	2.6%	3.0%	1.9%	2.2%	2.6%	2.7%	2.6%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	31,932	32,151	32,409	32,767	33,122	33,464	33,815	34,089	34,430	34,728	35,070	35,396
% Ch	2.7%	2.8%	3.2%	4.5%	4.4%	4.2%	4.3%	3.3%	4.1%	3.5%	4.0%	3.8%
National	42,399	42,782	43,223	43,676	44,191	44,662	45,139	45,622	46,160	46,663	47,185	47,721
% Ch	5.2%	3.7%	4.2%	4.3%	4.8%	4.3%	4.3%	4.4%	4.8%	4.4%	4.6%	4.6%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**PERSONAL INCOME -- CURR \$\$**

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	17,008	17,092	17,228	17,380	17,554	17,514	17,744	17,902	18,218	18,646	18,930	19,590
% Ch	4.0%	2.0%	3.2%	3.6%	4.1%	-0.9%	5.4%	3.6%	7.2%	9.7%	6.2%	14.7%
National (Billions)	4,956	4,980	4,981	4,987	5,023	5,073	5,129	5,189	5,239	5,313	5,403	5,539
% Ch	2.7%	2.0%	0.1%	0.5%	2.9%	4.0%	4.4%	4.8%	3.9%	5.7%	7.0%	10.4%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	603	679	555	506	321	471	521	624	499	544	456	594
% Ch	-48.3%	60.8%	-55.4%	-30.9%	-83.8%	363.5%	49.7%	105.8%	-59.1%	41.3%	-50.6%	187.9%
National (Billions)	11	10	9	9	14	24	25	25	18	19	14	22
% Ch	-91.5%	-14.0%	-51.0%	4.7%	504.8%	830.1%	12.1%	-1.6%	-72.4%	24.3%	-73.2%	635.9%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,332	3,383	3,409	3,460	3,517	3,559	3,672	3,744	3,817	3,943	4,016	4,091
% Ch	3.7%	6.3%	3.1%	6.1%	6.8%	4.9%	13.3%	8.1%	8.0%	13.9%	7.6%	7.7%
National (Billions)	751	759	762	768	780	802	827	840	854	883	889	913
% Ch	-1.4%	3.9%	1.6%	3.3%	6.6%	11.4%	13.4%	6.3%	6.9%	13.9%	3.1%	10.9%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,574	6,642	6,507	6,408	6,480	6,394	6,384	6,558	6,658	6,739	6,791	7,133
% Ch	28.9%	4.2%	-7.9%	-5.9%	4.6%	-5.2%	-0.6%	11.4%	6.2%	5.0%	3.1%	21.7%
National (Billions)	1,518	1,525	1,499	1,481	1,481	1,469	1,463	1,493	1,510	1,525	1,522	1,653
% Ch	-4.9%	2.0%	-6.6%	-4.9%	0.2%	-3.4%	-1.5%	8.4%	4.6%	4.0%	-0.9%	39.3%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	3,861	3,975	4,050	4,133	4,224	4,235	4,311	4,361	4,556	4,658	4,717	4,872
% Ch	18.4%	12.3%	7.8%	8.5%	9.1%	1.0%	7.4%	4.7%	19.1%	9.3%	5.2%	13.8%
National (Billions)	692	724	741	762	783	799	818	836	857	870	882	898
% Ch	22.0%	20.0%	9.8%	11.9%	11.3%	8.6%	9.8%	9.1%	10.2%	6.7%	5.2%	7.6%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	4,868	4,968	4,973	5,012	5,087	5,223	5,278	5,282	5,413	5,520	5,527	5,657
% Ch	6.1%	8.5%	0.4%	3.2%	6.1%	11.1%	4.3%	0.3%	10.3%	8.1%	0.5%	9.7%
National (Billions)	1,259	1,284	1,289	1,298	1,311	1,333	1,346	1,351	1,379	1,400	1,415	1,429
% Ch	7.2%	8.0%	1.6%	2.8%	4.2%	6.8%	4.0%	1.3%	8.6%	6.4%	4.4%	3.9%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	2,784	2,797	2,813	2,833	2,883	2,868	2,899	2,920	3,015	3,079	3,124	3,226
% Ch	8.5%	1.9%	2.3%	2.9%	7.2%	-2.1%	4.4%	2.9%	13.7%	8.8%	6.0%	13.7%
National (Billions)	362	364	364	364	372	375	378	382	392	397	403	412
% Ch	6.4%	1.9%	-0.4%	0.1%	8.6%	3.3%	3.8%	4.0%	11.3%	4.7%	6.2%	9.3%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	536	537	539	536	545	562	577	563	569	587	601	599
% Ch	8.6%	0.7%	1.5%	-2.2%	6.9%	13.1%	11.1%	-9.4%	4.3%	13.3%	9.9%	-1.3%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**PERSONAL INCOME -- CURR \$\$**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	19,833	20,008	20,261	20,552	20,865	21,155	21,454	21,708	22,030	22,337	22,669	22,990
% Ch	5.1%	3.6%	5.1%	5.9%	6.2%	5.7%	5.8%	4.8%	6.1%	5.7%	6.1%	5.8%
National (Billions)	5,632	5,710	5,790	5,877	5,968	6,052	6,134	6,213	6,299	6,385	6,471	6,562
% Ch	6.9%	5.7%	5.8%	6.1%	6.3%	5.8%	5.5%	5.3%	5.7%	5.6%	5.5%	5.7%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	611	610	703	552	645	667	681	674	737	712	709	710
% Ch	11.9%	-0.8%	76.6%	-61.8%	85.4%	14.2%	8.7%	-3.7%	42.8%	-12.9%	-1.6%	0.4%
National (Billions)	26	27	28	18	17	16	16	15	14	13	13	13
% Ch	76.0%	27.8%	10.0%	-83.1%	-20.6%	-16.4%	-15.1%	-24.2%	-10.0%	-19.1%	-1.3%	1.5%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	4,242	4,294	4,364	4,422	4,478	4,539	4,593	4,658	4,726	4,805	4,875	4,951
% Ch	15.6%	5.0%	6.7%	5.4%	5.2%	5.6%	4.8%	5.8%	5.9%	6.9%	6.0%	6.4%
National (Billions)	936	962	977	989	1,001	1,014	1,026	1,039	1,054	1,071	1,086	1,103
% Ch	10.8%	11.6%	6.4%	5.0%	4.9%	5.3%	4.5%	5.5%	5.7%	6.7%	5.8%	6.2%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,933	6,973	7,047	7,166	7,272	7,356	7,441	7,520	7,602	7,699	7,826	7,959
% Ch	-10.8%	2.3%	4.3%	7.0%	6.0%	4.7%	4.7%	4.3%	4.5%	5.2%	6.8%	7.0%
National (Billions)	1,570	1,583	1,598	1,621	1,647	1,669	1,687	1,703	1,721	1,742	1,771	1,802
% Ch	-18.7%	3.3%	3.8%	6.1%	6.5%	5.3%	4.4%	3.9%	4.3%	5.1%	6.9%	7.1%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	4,942	4,958	5,012	5,082	5,140	5,203	5,260	5,300	5,320	5,384	5,444	5,500
% Ch	5.9%	1.3%	4.4%	5.7%	4.6%	5.0%	4.5%	3.0%	1.5%	4.9%	4.5%	4.2%
National (Billions)	913	924	937	953	962	973	981	990	993	1,004	1,014	1,024
% Ch	6.8%	5.0%	5.8%	6.8%	4.1%	4.4%	3.6%	3.5%	1.3%	4.7%	4.0%	4.1%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	5,844	5,895	5,959	5,998	6,207	6,308	6,432	6,508	6,626	6,717	6,815	6,910
% Ch	13.9%	3.5%	4.4%	2.6%	14.6%	6.7%	8.1%	4.8%	7.4%	5.6%	6.0%	5.7%
National (Billions)	1,469	1,502	1,517	1,525	1,576	1,599	1,629	1,646	1,675	1,698	1,722	1,745
% Ch	11.7%	9.3%	4.1%	2.2%	13.9%	6.1%	7.5%	4.4%	7.2%	5.5%	5.8%	5.6%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	3,296	3,334	3,377	3,385	3,479	3,519	3,563	3,607	3,695	3,729	3,768	3,813
% Ch	9.0%	4.7%	5.2%	1.0%	11.6%	4.6%	5.2%	5.0%	10.1%	3.6%	4.3%	4.8%
National (Billions)	423	428	434	436	447	453	458	464	475	479	484	490
% Ch	10.9%	5.6%	5.5%	1.3%	11.4%	4.7%	5.1%	5.1%	9.8%	3.7%	3.8%	5.2%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	616	598	600	603	607	610	614	615	620	623	628	632
% Ch	11.8%	-11.0%	1.2%	2.1%	2.6%	2.1%	2.2%	1.2%	2.8%	2.4%	2.9%	2.7%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**EMPLOYMENT**

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	563,595	567,283	568,958	572,162	572,661	570,040	571,817	575,457	580,081	587,010	590,387	594,479
% Ch	-0.9%	2.6%	1.2%	2.3%	0.3%	-1.8%	1.3%	2.6%	3.3%	4.9%	2.3%	2.8%
National (Thousands)	130,500	130,346	130,274	130,262	130,093	129,845	129,890	130,168	130,541	131,325	131,731	132,302
% Ch	-1.3%	-0.5%	-0.2%	0.0%	-0.5%	-0.8%	0.1%	0.9%	1.2%	2.4%	1.2%	1.7%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	104,338	104,958	105,355	105,398	103,875	101,657	101,757	102,158	103,685	105,487	105,403	107,164
% Ch	-6.7%	2.4%	1.5%	0.2%	-5.7%	-8.3%	0.4%	1.6%	6.1%	7.1%	-0.3%	6.8%
National (Thousands)	22,879	22,624	22,457	22,258	22,036	21,828	21,700	21,684	21,725	21,868	21,932	22,000
% Ch	-5.8%	-4.4%	-2.9%	-3.5%	-3.9%	-3.7%	-2.3%	-0.3%	0.7%	2.7%	1.2%	1.3%
<b>MANUFACTURING</b>												
Idaho	66,832	66,835	66,933	66,599	65,422	63,777	63,316	62,925	63,217	63,882	63,515	64,146
% Ch	-5.1%	0.0%	0.6%	-2.0%	-6.9%	-9.7%	-2.9%	-2.4%	1.9%	4.3%	-2.3%	4.0%
National (Thousands)	15,584	15,413	15,258	15,057	14,857	14,624	14,446	14,383	14,353	14,407	14,421	14,406
% Ch	-7.9%	-4.3%	-4.0%	-5.2%	-5.2%	-6.1%	-4.8%	-1.7%	-0.8%	1.5%	0.4%	-0.4%
<b>DURABLE MANUFACTURING</b>												
Idaho	42,279	42,259	42,420	42,313	41,084	39,726	39,430	39,558	39,986	40,797	40,621	40,835
% Ch	-5.8%	-0.2%	1.5%	-1.0%	-11.1%	-12.6%	-2.9%	1.3%	4.4%	8.4%	-1.7%	2.1%
National (Thousands)	9,731	9,616	9,506	9,360	9,209	9,053	8,940	8,924	8,932	8,988	9,017	9,024
% Ch	-9.4%	-4.6%	-4.5%	-6.0%	-6.3%	-6.6%	-4.9%	-0.7%	0.3%	2.5%	1.3%	0.3%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,493	9,462	9,653	9,621	9,351	8,910	8,888	9,056	9,258	9,414	9,305	9,254
% Ch	-1.4%	-1.3%	8.3%	-1.3%	-10.7%	-17.6%	-1.0%	7.8%	9.3%	6.9%	-4.6%	-2.2%
National (Thousands)	633	628	625	617	611	606	603	608	610	616	618	622
% Ch	-2.0%	-3.1%	-2.0%	-4.9%	-3.9%	-3.3%	-1.9%	3.9%	1.1%	3.9%	1.4%	2.2%
<b>METAL FABRICATION</b>												
Idaho	3,562	3,641	3,687	3,651	3,619	3,533	3,471	3,523	3,590	3,641	3,673	3,639
% Ch	-14.7%	9.1%	5.2%	-3.9%	-3.4%	-9.2%	-6.9%	6.2%	7.8%	5.8%	3.6%	-3.7%
National (Thousands)	1,568	1,555	1,546	1,526	1,501	1,480	1,465	1,468	1,477	1,494	1,506	1,512
% Ch	-8.9%	-3.1%	-2.4%	-5.0%	-6.3%	-5.5%	-4.1%	0.8%	2.5%	4.7%	3.1%	1.5%
<b>MACHINERY</b>												
Idaho	2,810	2,832	2,866	2,816	2,707	2,655	2,596	2,569	2,565	2,574	2,568	2,568
% Ch	1.8%	3.3%	4.8%	-6.8%	-14.6%	-7.4%	-8.6%	-4.2%	-0.5%	1.3%	-0.8%	0.0%
National (Thousands)	1,259	1,239	1,219	1,199	1,178	1,153	1,135	1,132	1,130	1,141	1,149	1,147
% Ch	-11.1%	-6.2%	-6.3%	-6.4%	-6.9%	-8.3%	-6.2%	-1.1%	-0.6%	3.7%	3.0%	-0.7%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	18,114	17,973	17,841	17,779	16,812	16,164	16,194	16,001	16,156	16,499	16,224	16,250
% Ch	-6.2%	-3.1%	-2.9%	-1.4%	-20.0%	-14.6%	0.8%	-4.7%	3.9%	8.8%	-6.5%	0.7%
National (Thousands)	1,571	1,530	1,485	1,444	1,400	1,364	1,335	1,322	1,319	1,326	1,333	1,328
% Ch	-14.7%	-10.0%	-11.3%	-10.6%	-11.6%	-9.7%	-8.3%	-3.8%	-1.0%	2.2%	2.3%	-1.6%
<b>OTHER DURABLES</b>												
Idaho	8,300	8,350	8,373	8,447	8,595	8,464	8,281	8,410	8,417	8,670	8,851	9,123
% Ch	-8.3%	2.4%	1.1%	3.6%	7.2%	-6.0%	-8.4%	6.4%	0.3%	12.6%	8.6%	12.9%
National (Thousands)	4,701	4,664	4,632	4,574	4,519	4,449	4,402	4,394	4,395	4,411	4,411	4,416
% Ch	-8.1%	-3.1%	-2.7%	-4.9%	-4.7%	-6.0%	-4.2%	-0.8%	0.2%	1.5%	-0.1%	0.5%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005**



**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**EMPLOYMENT**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	597,762	601,288	604,241	606,468	609,146	611,595	614,098	616,612	619,617	623,105	626,486	629,754
% Ch	2.2%	2.4%	2.0%	1.5%	1.8%	1.6%	1.6%	1.6%	2.0%	2.3%	2.2%	2.1%
National (Thousands)	132,822	133,460	133,961	134,560	135,051	135,515	135,885	136,183	136,460	136,829	137,149	137,508
% Ch	1.6%	1.9%	1.5%	1.8%	1.5%	1.4%	1.1%	0.9%	0.8%	1.1%	0.9%	1.1%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	108,176	108,836	108,924	108,249	107,686	106,869	105,978	105,357	105,325	105,551	105,752	105,894
% Ch	3.8%	2.5%	0.3%	-2.5%	-2.1%	-3.0%	-3.3%	-2.3%	-0.1%	0.9%	0.8%	0.5%
National (Thousands)	22,055	22,145	22,171	22,169	22,178	22,192	22,198	22,215	22,214	22,210	22,201	22,220
% Ch	1.0%	1.6%	0.5%	0.0%	0.2%	0.3%	0.1%	0.3%	0.0%	-0.1%	-0.2%	0.3%
<b>MANUFACTURING</b>												
Idaho	63,972	63,963	64,112	64,145	64,272	64,310	64,258	64,345	64,657	65,090	65,488	65,735
% Ch	-1.1%	-0.1%	0.9%	0.2%	0.8%	0.2%	-0.3%	0.5%	2.0%	2.7%	2.5%	1.5%
National (Thousands)	14,382	14,374	14,364	14,344	14,359	14,363	14,362	14,361	14,358	14,349	14,346	14,344
% Ch	-0.6%	-0.2%	-0.3%	-0.6%	0.4%	0.1%	0.0%	0.0%	-0.1%	-0.2%	-0.1%	-0.1%
<b>DURABLE MANUFACTURING</b>												
Idaho	40,999	41,008	41,118	41,081	41,142	41,138	41,063	41,121	41,388	41,780	42,135	42,342
% Ch	1.6%	0.1%	1.1%	-0.4%	0.6%	0.0%	-0.7%	0.6%	2.6%	3.8%	3.4%	2.0%
National (Thousands)	9,022	9,030	9,030	9,007	9,021	9,035	9,046	9,059	9,064	9,061	9,062	9,066
% Ch	-0.1%	0.4%	0.0%	-1.0%	0.6%	0.6%	0.5%	0.6%	0.2%	-0.1%	0.1%	0.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,288	9,199	9,166	9,147	9,144	9,120	8,971	8,869	8,753	8,634	8,565	8,505
% Ch	1.5%	-3.8%	-1.4%	-0.9%	-0.1%	-1.0%	-6.4%	-4.4%	-5.1%	-5.3%	-3.2%	-2.8%
National (Thousands)	623	617	612	608	605	600	591	583	574	566	558	553
% Ch	0.7%	-3.8%	-2.9%	-2.9%	-2.0%	-3.3%	-5.4%	-5.6%	-5.8%	-5.8%	-5.5%	-3.5%
<b>METAL FABRICATION</b>												
Idaho	3,621	3,603	3,604	3,617	3,633	3,651	3,667	3,692	3,711	3,731	3,753	3,774
% Ch	-2.0%	-1.9%	0.1%	1.5%	1.8%	2.0%	1.8%	2.7%	2.0%	2.2%	2.3%	2.3%
National (Thousands)	1,515	1,517	1,521	1,524	1,530	1,542	1,553	1,567	1,576	1,580	1,586	1,594
% Ch	0.9%	0.4%	1.2%	0.6%	1.6%	3.4%	2.9%	3.5%	2.5%	1.0%	1.6%	1.9%
<b>MACHINERY</b>												
Idaho	2,536	2,550	2,559	2,578	2,605	2,638	2,671	2,700	2,721	2,737	2,747	2,745
% Ch	-4.9%	2.2%	1.5%	2.9%	4.3%	5.2%	5.0%	4.5%	3.1%	2.4%	1.4%	-0.3%
National (Thousands)	1,148	1,155	1,157	1,169	1,184	1,201	1,215	1,224	1,226	1,225	1,222	1,217
% Ch	0.5%	2.3%	0.7%	4.1%	5.3%	6.0%	4.8%	2.7%	0.9%	-0.3%	-0.9%	-1.8%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,430	16,506	16,588	16,498	16,473	16,401	16,395	16,485	16,818	17,262	17,612	17,815
% Ch	4.5%	1.8%	2.0%	-2.2%	-0.6%	-1.7%	-0.1%	2.2%	8.3%	11.0%	8.4%	4.7%
National (Thousands)	1,327	1,329	1,324	1,294	1,277	1,245	1,234	1,237	1,251	1,270	1,285	1,295
% Ch	-0.2%	0.6%	-1.5%	-8.6%	-5.3%	-9.5%	-3.7%	1.0%	4.7%	6.2%	4.9%	3.0%
<b>OTHER DURABLES</b>												
Idaho	9,124	9,151	9,200	9,242	9,288	9,328	9,359	9,374	9,386	9,415	9,458	9,503
% Ch	0.0%	1.2%	2.2%	1.8%	2.0%	1.8%	1.3%	0.7%	0.5%	1.3%	1.8%	1.9%
National (Thousands)	4,409	4,413	4,415	4,412	4,426	4,447	4,453	4,449	4,436	4,420	4,411	4,408
% Ch	-0.7%	0.4%	0.2%	-0.3%	1.2%	1.9%	0.5%	-0.3%	-1.2%	-1.4%	-0.9%	-0.2%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	24,553	24,576	24,514	24,286	24,337	24,051	23,886	23,367	23,230	23,085	22,894	23,311
% Ch	-3.8%	0.4%	-1.0%	-3.7%	0.9%	-4.6%	-2.7%	-8.4%	-2.3%	-2.5%	-3.3%	7.5%
National (Thousands)	5,854	5,797	5,752	5,697	5,648	5,572	5,506	5,459	5,421	5,419	5,404	5,381
% Ch	-5.4%	-3.8%	-3.0%	-3.7%	-3.4%	-5.3%	-4.6%	-3.4%	-2.7%	-0.2%	-1.1%	-1.6%
<b>FOOD PROCESSING</b>												
Idaho	16,442	16,424	16,320	16,225	16,163	15,972	15,938	15,524	15,215	15,002	14,734	15,040
% Ch	4.4%	-0.4%	-2.5%	-2.3%	-1.5%	-4.6%	-0.8%	-10.0%	-7.7%	-5.5%	-7.0%	8.6%
National (Thousands)	1,538	1,529	1,515	1,520	1,522	1,516	1,518	1,512	1,499	1,500	1,499	1,495
% Ch	-0.9%	-2.3%	-3.6%	1.3%	0.7%	-1.7%	0.5%	-1.6%	-3.3%	0.4%	-0.4%	-0.9%
<b>PRINTING</b>												
Idaho	2,030	2,012	2,044	2,046	2,110	2,085	1,993	1,931	1,908	1,909	1,947	1,923
% Ch	-13.4%	-3.6%	6.6%	0.4%	13.2%	-4.7%	-16.5%	-11.9%	-4.7%	0.3%	8.1%	-4.8%
National (Thousands)	726	711	700	690	686	683	679	673	668	667	664	661
% Ch	-8.1%	-8.4%	-6.0%	-5.5%	-2.1%	-2.0%	-2.5%	-3.2%	-3.2%	-0.4%	-2.1%	-1.5%
<b>CHEMICALS</b>												
Idaho	1,973	1,944	1,886	1,895	1,860	1,825	1,830	1,806	1,851	1,880	1,897	1,879
% Ch	-40.1%	-5.7%	-11.5%	1.9%	-7.2%	-7.2%	1.0%	-5.0%	10.3%	6.5%	3.7%	-3.9%
National (Thousands)	935	928	925	921	919	909	903	894	889	890	886	882
% Ch	-4.1%	-2.7%	-1.4%	-1.6%	-1.0%	-4.2%	-2.9%	-4.0%	-2.0%	0.2%	-1.4%	-1.7%
<b>OTHER NONDURABLES</b>												
Idaho	4,108	4,196	4,264	4,120	4,205	4,169	4,125	4,106	4,257	4,294	4,316	4,470
% Ch	-6.2%	8.9%	6.6%	-12.8%	8.5%	-3.3%	-4.2%	-1.8%	15.6%	3.5%	2.2%	15.0%
National (Thousands)	2,655	2,629	2,613	2,567	2,520	2,464	2,407	2,380	2,365	2,362	2,355	2,343
% Ch	-7.6%	-3.8%	-2.5%	-6.9%	-7.0%	-8.7%	-8.9%	-4.4%	-2.5%	-0.6%	-1.1%	-2.1%
<b>MINING</b>												
Idaho	1,795	1,732	1,754	1,752	1,743	1,775	1,834	1,785	1,799	1,938	1,996	1,988
% Ch	9.5%	-13.3%	5.0%	-0.3%	-2.2%	7.7%	14.0%	-10.4%	3.2%	34.8%	12.5%	-1.7%
National (Thousands)	523	513	507	506	503	501	501	505	511	522	528	532
% Ch	-3.7%	-7.5%	-4.4%	-0.8%	-1.9%	-2.2%	0.6%	3.0%	4.7%	9.1%	4.9%	2.4%
<b>CONSTRUCTION</b>												
Idaho	35,711	36,391	36,668	37,047	36,711	36,104	36,607	37,448	38,669	39,667	39,892	41,030
% Ch	-10.4%	7.8%	3.1%	4.2%	-3.6%	-6.4%	5.7%	9.5%	13.7%	10.7%	2.3%	11.9%
National (Thousands)	6,772	6,699	6,692	6,695	6,675	6,703	6,753	6,797	6,861	6,939	6,983	7,063
% Ch	-1.0%	-4.2%	-0.4%	0.2%	-1.2%	1.7%	3.0%	2.6%	3.8%	4.6%	2.5%	4.7%
<b>NONGOODS PRODUCING</b>												
Idaho	459,257	462,325	463,603	466,764	468,786	468,383	470,060	473,299	476,396	481,522	484,983	487,315
% Ch	0.5%	2.7%	1.1%	2.8%	1.7%	-0.3%	1.4%	2.8%	2.6%	4.4%	2.9%	1.9%
National (Thousands)	107,621	107,721	107,817	108,004	108,057	108,017	108,190	108,483	108,816	109,457	109,799	110,302
% Ch	-0.3%	0.4%	0.4%	0.7%	0.2%	-0.1%	0.6%	1.1%	1.2%	2.4%	1.3%	1.8%
<b>SERVICES</b>												
Idaho	250,029	252,924	254,487	257,024	258,573	258,532	260,472	262,430	264,898	268,564	270,040	272,362
% Ch	-0.3%	4.7%	2.5%	4.0%	2.4%	-0.1%	3.0%	3.0%	3.8%	5.7%	2.2%	3.5%
National (Thousands)	65,484	65,504	65,612	65,807	65,876	65,908	66,112	66,399	66,653	67,168	67,455	67,849
% Ch	-0.3%	0.1%	0.7%	1.2%	0.4%	0.2%	1.2%	1.7%	1.5%	3.1%	1.7%	2.4%
<b>INFORMATION</b>												
Idaho	9,289	9,196	8,990	9,149	9,200	9,173	9,096	9,257	9,401	9,694	10,223	10,425
% Ch	-6.2%	-3.9%	-8.7%	7.2%	2.3%	-1.2%	-3.3%	7.2%	6.4%	13.1%	23.7%	8.2%
National (Thousands)	3,473	3,416	3,366	3,319	3,240	3,194	3,167	3,151	3,139	3,146	3,135	3,130
% Ch	-6.9%	-6.4%	-5.8%	-5.4%	-9.1%	-5.6%	-3.3%	-2.0%	-1.5%	0.9%	-1.4%	-0.6%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	25,587	25,665	25,894	26,151	26,549	26,836	27,140	27,255	27,485	27,775	27,961	28,530
% Ch	6.1%	1.2%	3.6%	4.0%	6.2%	4.4%	4.6%	1.7%	3.4%	4.3%	2.7%	8.4%
National (Thousands)	7,834	7,825	7,839	7,892	7,933	7,980	8,000	7,989	7,997	8,036	8,061	8,109
% Ch	-0.1%	-0.5%	0.7%	2.7%	2.1%	2.4%	1.0%	-0.6%	0.4%	2.0%	1.3%	2.4%

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**EMPLOYMENT**

**MANUFACTURING (continued)**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	22,973	22,955	22,995	23,064	23,130	23,172	23,195	23,224	23,269	23,310	23,353	23,393
% Ch	-5.7%	-0.3%	0.7%	1.2%	1.2%	0.7%	0.4%	0.5%	0.8%	0.7%	0.7%	0.7%
National (Thousands)	5,360	5,344	5,334	5,337	5,338	5,328	5,315	5,302	5,295	5,288	5,284	5,278
% Ch	-1.6%	-1.2%	-0.7%	0.2%	0.1%	-0.8%	-0.9%	-1.0%	-0.5%	-0.5%	-0.3%	-0.5%
<b>FOOD PROCESSING</b>												
Idaho	14,837	14,794	14,821	14,887	14,946	14,974	14,985	14,997	15,028	15,056	15,088	15,116
% Ch	-5.3%	-1.1%	0.7%	1.8%	1.6%	0.7%	0.3%	0.3%	0.8%	0.7%	0.9%	0.7%
National (Thousands)	1,494	1,487	1,490	1,495	1,501	1,505	1,507	1,510	1,514	1,518	1,523	1,527
% Ch	-0.4%	-1.8%	0.8%	1.5%	1.6%	0.9%	0.6%	0.7%	1.2%	1.1%	1.2%	1.1%
<b>PRINTING</b>												
Idaho	1,909	1,905	1,901	1,899	1,894	1,892	1,891	1,890	1,888	1,886	1,884	1,882
% Ch	-2.8%	-0.9%	-0.7%	-0.6%	-0.9%	-0.5%	-0.3%	-0.2%	-0.4%	-0.4%	-0.4%	-0.4%
National (Thousands)	659	661	660	662	664	665	665	666	667	668	670	671
% Ch	-1.0%	1.2%	-0.6%	1.1%	1.2%	0.6%	0.3%	0.2%	0.6%	0.8%	1.0%	0.9%
<b>CHEMICALS</b>												
Idaho	1,870	1,859	1,850	1,835	1,821	1,807	1,795	1,784	1,773	1,761	1,748	1,733
% Ch	-1.9%	-2.2%	-2.0%	-3.1%	-3.1%	-3.0%	-2.6%	-2.3%	-2.4%	-2.7%	-3.0%	-3.3%
National (Thousands)	877	875	873	873	874	872	871	868	865	861	858	854
% Ch	-2.6%	-1.0%	-0.5%	-0.1%	0.3%	-0.7%	-0.6%	-1.6%	-1.1%	-1.8%	-1.5%	-1.9%
<b>OTHER NONDURABLES</b>												
Idaho	4,357	4,397	4,422	4,443	4,469	4,499	4,525	4,553	4,579	4,607	4,633	4,662
% Ch	-9.7%	3.7%	2.4%	1.9%	2.4%	2.7%	2.3%	2.5%	2.3%	2.5%	2.3%	2.5%
National (Thousands)	2,330	2,321	2,311	2,306	2,299	2,286	2,272	2,259	2,248	2,240	2,233	2,226
% Ch	-2.1%	-1.6%	-1.8%	-0.8%	-1.3%	-2.3%	-2.4%	-2.3%	-1.8%	-1.4%	-1.2%	-1.4%
<b>MINING</b>												
Idaho	2,002	1,978	1,998	2,029	2,024	1,964	1,918	1,875	1,810	1,752	1,675	1,606
% Ch	2.8%	-4.7%	4.2%	6.2%	-1.0%	-11.3%	-9.0%	-8.7%	-13.2%	-12.1%	-16.6%	-15.5%
National (Thousands)	545	563	574	583	586	583	581	574	566	559	551	546
% Ch	10.2%	13.9%	8.0%	6.7%	2.0%	-1.6%	-1.7%	-4.8%	-5.4%	-4.9%	-5.1%	-3.8%
<b>CONSTRUCTION</b>												
Idaho	42,202	42,895	42,813	42,075	41,391	40,596	39,802	39,137	38,858	38,709	38,589	38,554
% Ch	11.9%	6.7%	-0.8%	-6.7%	-6.3%	-7.5%	-7.6%	-6.5%	-2.8%	-1.5%	-1.2%	-0.4%
National (Thousands)	7,128	7,209	7,234	7,243	7,233	7,245	7,256	7,280	7,290	7,302	7,304	7,329
% Ch	3.8%	4.6%	1.4%	0.5%	-0.5%	0.7%	0.6%	1.4%	0.5%	0.7%	0.1%	1.4%
<b>NONGOODS PRODUCING</b>												
Idaho	489,586	492,452	495,317	498,219	501,459	504,726	508,120	511,255	514,293	517,554	520,734	523,860
% Ch	1.9%	2.4%	2.3%	2.4%	2.6%	2.7%	2.6%	2.5%	2.4%	2.6%	2.5%	2.4%
National (Thousands)	110,767	111,315	111,789	112,391	112,873	113,323	113,687	113,968	114,246	114,619	114,947	115,288
% Ch	1.7%	2.0%	1.7%	2.2%	1.7%	1.6%	1.3%	1.0%	1.0%	1.3%	1.2%	1.2%
<b>SERVICES</b>												
Idaho	274,331	276,491	278,617	280,781	283,272	285,679	288,178	290,422	292,686	295,086	297,481	299,799
% Ch	2.9%	3.2%	3.1%	3.1%	3.6%	3.4%	3.5%	3.2%	3.2%	3.3%	3.3%	3.2%
National (Thousands)	68,241	68,669	69,055	69,433	69,787	70,114	70,394	70,594	70,832	71,133	71,430	71,753
% Ch	2.3%	2.5%	2.3%	2.2%	2.1%	1.9%	1.6%	1.1%	1.4%	1.7%	1.7%	1.8%
<b>INFORMATION</b>												
Idaho	10,564	10,665	10,750	10,854	10,952	11,044	11,104	11,176	11,246	11,312	11,374	11,434
% Ch	5.4%	3.9%	3.2%	3.9%	3.7%	3.4%	2.2%	2.6%	2.5%	2.4%	2.2%	2.1%
National (Thousands)	3,128	3,157	3,143	3,137	3,127	3,135	3,160	3,161	3,173	3,196	3,206	3,213
% Ch	-0.3%	3.7%	-1.7%	-0.8%	-1.3%	1.1%	3.2%	0.2%	1.5%	2.9%	1.3%	0.8%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	28,779	29,033	29,249	29,437	29,618	29,797	29,974	30,151	30,326	30,497	30,664	30,826
% Ch	3.5%	3.6%	3.0%	2.6%	2.5%	2.4%	2.4%	2.4%	2.3%	2.3%	2.2%	2.1%
National (Thousands)	8,162	8,202	8,292	8,270	8,255	8,257	8,249	8,226	8,215	8,216	8,201	8,199
% Ch	2.6%	2.0%	4.4%	-1.0%	-0.8%	0.1%	-0.4%	-1.1%	-0.5%	0.0%	-0.7%	-0.1%

**National Variables Forecast by Global Insight  
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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**EMPLOYMENT**

SERVICES (Continued)												
	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	18,606	18,675	18,667	18,747	19,008	18,616	18,715	18,700	18,932	19,110	18,872	18,858
% Ch	-8.2%	1.5%	-0.2%	1.7%	5.7%	-8.0%	2.1%	-0.3%	5.0%	3.8%	-4.9%	-0.3%
National (Thousands)	4,821	4,822	4,830	4,814	4,793	4,761	4,742	4,753	4,777	4,808	4,835	4,856
% Ch	-3.1%	0.2%	0.7%	-1.4%	-1.8%	-2.6%	-1.6%	0.9%	2.1%	2.6%	2.2%	1.8%
PROFESSIONAL & BUSINESS												
Idaho	67,379	68,890	69,421	70,326	70,089	69,671	69,792	70,408	71,471	73,133	73,770	74,144
% Ch	-0.9%	9.3%	3.1%	5.3%	-1.3%	-2.4%	0.7%	3.6%	6.2%	9.6%	3.5%	2.0%
National (Thousands)	16,015	16,010	15,963	15,920	15,915	15,913	16,012	16,100	16,158	16,368	16,479	16,633
% Ch	-2.8%	-0.1%	-1.2%	-1.1%	-0.1%	-0.1%	2.5%	2.2%	1.4%	5.3%	2.7%	3.8%
EDUCATION & HEALTH												
Idaho	58,943	59,541	60,053	60,704	61,522	62,175	63,012	63,500	63,937	65,053	65,613	66,269
% Ch	5.0%	4.1%	3.5%	4.4%	5.5%	4.3%	5.5%	3.1%	2.8%	7.2%	3.5%	4.1%
National (Thousands)	16,009	16,144	16,286	16,368	16,458	16,566	16,609	16,716	16,795	16,907	16,997	17,110
% Ch	3.6%	3.4%	3.6%	2.0%	2.2%	2.7%	1.0%	2.6%	1.9%	2.7%	2.2%	2.7%
LEISURE & HOSPITALITY												
Idaho	52,497	53,143	53,515	53,967	54,101	53,984	54,536	55,000	55,556	55,483	55,273	55,812
% Ch	-3.1%	5.0%	2.8%	3.4%	1.0%	-0.9%	4.2%	3.4%	4.1%	-0.5%	-1.5%	4.0%
National (Thousands)	11,977	11,919	11,959	12,096	12,137	12,095	12,182	12,288	12,377	12,468	12,509	12,569
% Ch	-0.3%	-1.9%	1.4%	4.6%	1.4%	-1.4%	2.9%	3.5%	2.9%	3.0%	1.3%	1.9%
OTHER SERVICES												
Idaho	17,728	17,813	17,947	17,981	18,105	18,076	18,181	18,310	18,116	18,316	18,329	18,323
% Ch	-3.8%	1.9%	3.0%	0.8%	2.8%	-0.6%	2.3%	2.9%	-4.2%	4.5%	0.3%	-0.1%
National (Thousands)	5,355	5,367	5,369	5,397	5,401	5,399	5,399	5,401	5,409	5,435	5,438	5,441
% Ch	3.0%	0.9%	0.2%	2.1%	0.3%	-0.1%	0.0%	0.1%	0.6%	1.9%	0.2%	0.2%
TRADE												
Idaho	97,355	97,338	97,497	97,158	97,469	96,928	96,648	97,394	97,907	98,892	99,582	100,105
% Ch	1.7%	-0.1%	0.7%	-1.4%	1.3%	-2.2%	-1.2%	3.1%	2.1%	4.1%	2.8%	2.1%
National (Thousands)	20,732	20,707	20,658	20,612	20,556	20,518	20,508	20,531	20,608	20,701	20,708	20,751
% Ch	-2.2%	-0.5%	-0.9%	-0.9%	-1.1%	-0.7%	-0.2%	0.4%	1.5%	1.8%	0.1%	0.8%
RETAIL TRADE												
Idaho	72,449	72,444	72,482	72,184	72,802	72,232	72,457	72,964	73,002	73,780	73,724	74,347
% Ch	3.9%	0.0%	0.2%	-1.6%	3.5%	-3.1%	1.3%	2.8%	0.2%	4.3%	-0.3%	3.4%
National (Thousands)	15,060	15,053	15,010	14,975	14,929	14,902	14,916	14,935	14,987	15,050	15,043	15,072
% Ch	-2.0%	-0.2%	-1.1%	-0.9%	-1.2%	-0.7%	0.4%	0.5%	1.4%	1.7%	-0.2%	0.8%
WHOLESALE TRADE												
Idaho	24,906	24,894	25,014	24,973	24,666	24,696	24,190	24,431	24,906	25,111	25,858	25,757
% Ch	-4.5%	-0.2%	2.0%	-0.7%	-4.8%	0.5%	-7.9%	4.0%	8.0%	3.3%	12.4%	-1.5%
National (Thousands)	5,673	5,654	5,648	5,637	5,626	5,616	5,592	5,597	5,621	5,651	5,665	5,679
% Ch	-2.6%	-1.3%	-0.4%	-0.8%	-0.7%	-0.7%	-1.7%	0.3%	1.7%	2.2%	1.0%	1.0%
STATE & LOCAL GOVERNMENT												
Idaho	98,562	98,717	97,969	98,693	98,960	99,196	99,309	100,134	100,315	100,737	101,929	101,647
% Ch	1.8%	0.6%	-3.0%	3.0%	1.1%	1.0%	0.5%	3.4%	0.7%	1.7%	4.8%	-1.1%
National (Thousands)	18,650	18,741	18,783	18,805	18,836	18,822	18,814	18,818	18,825	18,853	18,907	18,983
% Ch	1.9%	2.0%	0.9%	0.5%	0.7%	-0.3%	-0.2%	0.1%	0.2%	0.6%	1.2%	1.6%
EDUCATION												
Idaho	49,673	50,103	49,317	49,520	49,880	49,863	49,453	50,450	50,395	50,481	51,534	50,893
% Ch	-0.3%	3.5%	-6.1%	1.7%	2.9%	-0.1%	-3.3%	8.3%	-0.4%	0.7%	8.6%	-4.9%
NONEDUCATION												
Idaho	48,889	48,614	48,652	49,174	49,080	49,332	49,856	49,684	49,920	50,256	50,395	50,754
% Ch	4.0%	-2.2%	0.3%	4.4%	-0.8%	2.1%	4.3%	-1.4%	1.9%	2.7%	1.1%	2.9%
FEDERAL GOVERNMENT												
Idaho	13,310	13,346	13,650	13,889	13,784	13,728	13,631	13,341	13,275	13,329	13,432	13,203
% Ch	-2.4%	1.1%	9.4%	7.2%	-3.0%	-1.6%	-2.8%	-8.2%	-1.9%	1.6%	3.1%	-6.7%
National (Thousands)	2,754	2,769	2,763	2,781	2,790	2,770	2,755	2,736	2,730	2,735	2,729	2,719
% Ch	-0.3%	2.2%	-0.9%	2.6%	1.3%	-2.9%	-2.1%	-2.8%	-0.8%	0.7%	-0.9%	-1.4%

**National Variables Forecast by Global Insight  
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**IDAHO ECONOMIC FORECAST  
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JULY 2005**

**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>2005</b>				<b>2006</b>				<b>2007</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	18,894	18,982	19,063	19,131	19,221	19,343	19,467	19,586	19,673	19,762	19,850	19,947
% Ch	0.8%	1.9%	1.7%	1.4%	1.9%	2.6%	2.6%	2.5%	1.8%	1.8%	1.8%	2.0%
National (Thousands)	4,900	4,926	4,942	4,975	4,993	5,011	5,029	5,036	5,050	5,066	5,089	5,117
% Ch	3.6%	2.1%	1.3%	2.7%	1.5%	1.4%	1.5%	0.6%	1.1%	1.3%	1.8%	2.2%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	74,408	75,155	75,701	76,338	77,239	78,056	78,965	79,709	80,500	81,370	82,207	82,992
% Ch	1.4%	4.1%	2.9%	3.4%	4.8%	4.3%	4.7%	3.8%	4.0%	4.4%	4.2%	3.9%
National (Thousands)	16,759	16,864	16,973	17,144	17,274	17,394	17,501	17,614	17,748	17,934	18,125	18,330
% Ch	3.1%	2.5%	2.6%	4.1%	3.1%	2.8%	2.5%	2.6%	3.1%	4.3%	4.3%	4.6%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	66,814	67,157	67,710	68,227	68,815	69,377	69,980	70,492	71,032	71,613	72,214	72,790
% Ch	3.3%	2.1%	3.3%	3.1%	3.5%	3.3%	3.5%	3.0%	3.1%	3.3%	3.4%	3.2%
National (Thousands)	17,191	17,280	17,368	17,416	17,495	17,577	17,659	17,716	17,750	17,802	17,832	17,889
% Ch	1.9%	2.1%	2.1%	1.1%	1.8%	1.9%	1.9%	1.3%	0.8%	1.2%	0.7%	1.3%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	56,470	57,012	57,554	58,096	58,607	59,117	59,627	60,138	60,648	61,159	61,669	62,179
% Ch	4.8%	3.9%	3.9%	3.8%	3.6%	3.5%	3.5%	3.5%	3.4%	3.4%	3.4%	3.4%
National (Thousands)	12,645	12,752	12,823	12,964	13,091	13,162	13,188	13,222	13,262	13,276	13,317	13,330
% Ch	2.5%	3.4%	2.3%	4.5%	4.0%	2.2%	0.8%	1.0%	1.2%	0.4%	1.2%	0.4%
<b>OTHER SERVICES</b>												
Idaho	18,402	18,487	18,590	18,697	18,819	18,945	19,060	19,170	19,261	19,373	19,503	19,631
% Ch	1.7%	1.8%	2.2%	2.3%	2.6%	2.7%	2.5%	2.3%	1.9%	2.3%	2.7%	2.7%
National (Thousands)	5,456	5,489	5,514	5,528	5,552	5,579	5,609	5,620	5,634	5,644	5,660	5,673
% Ch	1.2%	2.4%	1.9%	1.0%	1.7%	2.0%	2.1%	0.8%	1.0%	0.7%	1.1%	1.0%
<b>TRADE</b>												
Idaho	100,403	101,060	101,686	102,251	102,924	103,756	104,597	105,413	106,070	106,739	107,407	108,114
% Ch	1.2%	2.6%	2.5%	2.2%	2.7%	3.3%	3.3%	3.2%	2.5%	2.5%	2.5%	2.7%
National (Thousands)	20,800	20,882	20,935	21,025	21,070	21,123	21,127	21,130	21,134	21,191	21,226	21,244
% Ch	1.0%	1.6%	1.0%	1.7%	0.9%	1.0%	0.1%	0.1%	0.1%	1.1%	0.7%	0.3%
<b>RETAIL TRADE</b>												
Idaho	74,701	75,214	75,704	76,146	76,672	77,317	77,969	78,602	79,114	79,636	80,157	80,708
% Ch	1.9%	2.8%	2.6%	2.4%	2.8%	3.4%	3.4%	3.3%	2.6%	2.7%	2.6%	2.8%
National (Thousands)	15,110	15,168	15,206	15,281	15,320	15,366	15,368	15,383	15,393	15,450	15,488	15,499
% Ch	1.0%	1.5%	1.0%	2.0%	1.0%	1.2%	0.1%	0.4%	0.2%	1.5%	1.0%	0.3%
<b>WHOLESALE TRADE</b>												
Idaho	25,702	25,846	25,983	26,104	26,252	26,439	26,628	26,811	26,956	27,103	27,250	27,406
% Ch	-0.9%	2.3%	2.1%	1.9%	2.3%	2.9%	2.8%	2.8%	2.2%	2.2%	2.2%	2.3%
National (Thousands)	5,691	5,714	5,729	5,743	5,750	5,757	5,758	5,747	5,741	5,741	5,739	5,745
% Ch	0.8%	1.6%	1.1%	1.0%	0.5%	0.5%	0.1%	-0.8%	-0.4%	0.0%	-0.2%	0.5%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	101,826	101,871	101,946	102,094	102,178	102,225	102,294	102,386	102,518	102,724	102,854	102,966
% Ch	0.7%	0.2%	0.3%	0.6%	0.3%	0.2%	0.3%	0.4%	0.5%	0.8%	0.5%	0.4%
National (Thousands)	19,006	19,043	19,069	19,196	19,278	19,349	19,429	19,507	19,544	19,558	19,553	19,553
% Ch	0.5%	0.8%	0.6%	2.7%	1.7%	1.5%	1.7%	1.6%	0.8%	0.3%	-0.1%	0.0%
<b>EDUCATION</b>												
Idaho	50,891	50,910	50,961	51,042	51,098	51,147	51,209	51,328	51,462	51,650	51,766	51,859
% Ch	0.0%	0.1%	0.4%	0.6%	0.4%	0.4%	0.5%	0.9%	1.0%	1.5%	0.9%	0.7%
<b>NONEDUCATION</b>												
Idaho	50,934	50,961	50,985	51,052	51,080	51,077	51,085	51,058	51,056	51,074	51,088	51,108
% Ch	1.4%	0.2%	0.2%	0.5%	0.2%	0.0%	0.1%	-0.2%	0.0%	0.1%	0.1%	0.2%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,026	13,030	13,068	13,095	13,086	13,066	13,050	13,034	13,018	13,005	12,992	12,980
% Ch	-5.2%	0.1%	1.2%	0.8%	-0.3%	-0.6%	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%
National (Thousands)	2,719	2,721	2,730	2,737	2,738	2,737	2,737	2,737	2,737	2,737	2,738	2,738
% Ch	0.0%	0.4%	1.3%	1.0%	0.2%	-0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**MISCELLANEOUS**

	2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	103.470	103.853	104.280	104.786	105.490	105.780	106.158	106.586	107.314	108.169	108.551	109.159
% Ch	1.4%	1.5%	1.7%	2.0%	2.7%	1.1%	1.4%	1.6%	2.8%	3.2%	1.4%	2.3%
<b>Consumption Expenditures</b>	102.660	103.386	103.894	104.250	105.080	105.269	105.689	106.005	106.860	107.683	108.021	108.734
% Ch	0.9%	2.9%	2.0%	1.4%	3.2%	0.7%	1.6%	1.2%	3.3%	3.1%	1.3%	2.7%
<b>Durable Goods</b>	96.343	95.743	95.244	94.570	93.688	92.787	91.757	90.747	90.741	90.725	90.008	90.039
% Ch	-3.8%	-2.5%	-2.1%	-2.8%	-3.7%	-3.8%	-4.4%	-4.3%	0.0%	-0.1%	-3.1%	0.1%
<b>Nondurable Goods</b>	100.861	102.193	102.520	102.814	104.108	103.520	104.423	104.564	105.914	107.616	107.869	109.106
% Ch	0.0%	5.4%	1.3%	1.2%	5.1%	-2.2%	3.5%	0.5%	5.3%	6.6%	0.9%	4.7%
<b>Services</b>	104.963	105.693	106.524	107.153	108.158	108.993	109.529	110.266	111.085	111.667	112.314	112.932
% Ch	2.3%	2.8%	3.2%	2.4%	3.8%	3.1%	2.0%	2.7%	3.0%	2.1%	2.3%	2.2%
<b>Consumer Price Index</b>	1.781	1.795	1.804	1.814	1.832	1.834	1.844	1.848	1.866	1.886	1.894	1.910
% Ch	1.4%	3.3%	2.1%	2.1%	4.2%	0.4%	2.2%	0.9%	3.9%	4.4%	1.6%	3.6%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	1.7%	1.8%	1.7%	1.4%	1.3%	1.2%	1.0%	1.0%	1.0%	1.0%	1.4%	2.0%
<b>NY Fed Discount</b>	1.3%	1.3%	1.3%	1.0%	2.1%	2.2%	2.0%	2.0%	2.0%	2.0%	2.4%	2.9%
<b>Prime</b>	4.8%	4.8%	4.8%	4.5%	4.3%	4.2%	4.0%	4.0%	4.0%	4.0%	4.4%	4.9%
<b>Existing Home Mortgage</b>	6.9%	6.8%	6.4%	6.1%	5.9%	5.6%	5.7%	5.8%	5.6%	5.7%	5.8%	5.7%
<b>U.S. Govt. 3-Month Bills</b>	1.7%	1.7%	1.6%	1.4%	1.2%	1.0%	0.9%	0.9%	0.9%	1.1%	1.5%	2.1%
<b>U.S. Govt. 6-Month Bills</b>	1.8%	1.9%	1.6%	1.4%	1.2%	1.1%	1.0%	1.0%	1.0%	1.3%	1.7%	2.3%
<b>U.S. Govt. 5-Year Notes</b>	4.5%	4.4%	3.3%	3.0%	2.9%	2.6%	3.1%	3.3%	3.0%	3.7%	3.5%	3.5%
<b>U.S. Govt. 10-Year Notes</b>	5.1%	5.1%	4.3%	4.0%	3.9%	3.6%	4.2%	4.3%	4.0%	4.6%	4.3%	4.2%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	103.1	103.8	102.6	100.8	99.9	98.9	100.8	104.0	104.0	105.2	104.6	104.8
% Ch	9.4%	2.9%	-4.7%	-6.8%	-3.3%	-4.0%	8.1%	13.0%	-0.1%	4.8%	-2.2%	0.9%
<b>Computers &amp; Electronic Products</b>	216.6	218.0	223.5	230.7	240.4	245.7	255.9	264.1	271.8	284.1	295.5	304.2
% Ch	-3.2%	2.5%	10.6%	13.5%	17.9%	9.1%	17.6%	13.6%	12.1%	19.4%	16.9%	12.3%
<b>Food</b>	109.2	109.5	109.6	109.4	109.3	109.5	109.5	109.9	110.4	111.4	111.8	112.5
% Ch	4.9%	1.2%	0.2%	-0.6%	-0.2%	0.7%	0.0%	1.4%	1.9%	3.6%	1.4%	2.6%
<b>Agricultural Chemicals</b>	79.1	80.2	82.6	82.1	81.7	82.7	79.8	79.7	81.3	80.7	81.5	81.4
% Ch	-14.3%	5.9%	12.6%	-2.6%	-1.7%	4.7%	-13.1%	-0.3%	7.9%	-2.6%	3.7%	-0.5%
<b>Metal Ore Mining</b>	74.0	76.7	76.5	75.6	73.0	69.3	71.5	67.8	69.1	70.8	72.9	75.7
% Ch	-24.0%	15.5%	-1.1%	-4.5%	-13.1%	-18.9%	13.3%	-19.0%	7.7%	10.3%	12.6%	16.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2005**

**MISCELLANEOUS**

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	110.012	110.675	111.148	111.682	112.285	112.871	113.287	113.795	114.388	114.935	115.511	116.133
% Ch	3.2%	2.4%	1.7%	1.9%	2.2%	2.1%	1.5%	1.8%	2.1%	1.9%	2.0%	2.2%
<b>Consumption Expenditures</b>	109.295	110.183	110.554	111.120	111.612	112.170	112.559	113.081	113.615	114.173	114.759	115.397
% Ch	2.1%	3.3%	1.4%	2.1%	1.8%	2.0%	1.4%	1.9%	1.9%	2.0%	2.1%	2.2%
<b>Durable Goods</b>	90.238	90.295	90.120	89.963	89.871	89.787	89.687	89.587	89.478	89.401	89.330	89.267
% Ch	0.9%	0.3%	-0.8%	-0.7%	-0.4%	-0.4%	-0.4%	-0.4%	-0.5%	-0.3%	-0.3%	-0.3%
<b>Nondurable Goods</b>	109.447	110.838	110.672	111.153	111.296	111.712	111.547	111.776	112.110	112.467	112.869	113.341
% Ch	1.3%	5.2%	-0.6%	1.7%	0.5%	1.5%	-0.6%	0.8%	1.2%	1.3%	1.4%	1.7%
<b>Services</b>	113.698	114.550	115.336	116.129	116.948	117.741	118.538	119.367	120.168	120.990	121.840	122.744
% Ch	2.7%	3.0%	2.8%	2.8%	2.9%	2.7%	2.7%	2.8%	2.7%	2.8%	2.8%	3.0%
<b>Consumer Price Index</b>	1.922	1.943	1.949	1.959	1.968	1.978	1.984	1.993	2.002	2.012	2.022	2.033
% Ch	2.4%	4.4%	1.2%	2.2%	1.8%	2.1%	1.2%	1.8%	1.9%	1.9%	2.0%	2.2%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	2.5%	2.9%	3.4%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.2%	4.3%	4.3%
<b>NY Fed Discount</b>	3.4%	3.9%	4.4%	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.2%	5.3%	5.3%
<b>Prime</b>	5.4%	5.9%	6.4%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.2%	7.3%	7.3%
<b>Existing Home Mortgage</b>	5.8%	5.9%	6.0%	6.2%	6.4%	6.5%	6.5%	6.5%	6.5%	6.6%	6.7%	6.7%
<b>U.S. Govt. 3-Month Bills</b>	2.6%	2.8%	3.3%	3.7%	3.9%	3.9%	3.9%	3.9%	3.9%	4.0%	4.1%	4.2%
<b>U.S. Govt. 6-Month Bills</b>	2.8%	3.1%	3.5%	3.9%	4.0%	4.0%	4.0%	4.0%	4.1%	4.2%	4.3%	4.4%
<b>U.S. Govt. 5-Year Notes</b>	3.9%	3.9%	4.3%	4.6%	4.7%	4.7%	4.7%	4.7%	4.8%	4.9%	5.0%	5.1%
<b>U.S. Govt. 10-Year Notes</b>	4.3%	4.2%	4.5%	4.8%	4.9%	4.9%	4.9%	4.9%	5.0%	5.1%	5.2%	5.3%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	102.8	102.2	101.8	101.3	100.7	99.2	98.2	97.1	96.0	95.5	94.7	94.6
% Ch	-7.5%	-2.5%	-1.4%	-2.0%	-2.2%	-6.1%	-4.0%	-4.2%	-4.3%	-2.1%	-3.6%	-0.4%
<b>Computers &amp; Electronic Products</b>	320.5	334.5	341.3	347.2	353.2	359.5	367.4	375.9	387.6	401.5	415.6	430.3
% Ch	23.2%	18.8%	8.3%	7.1%	7.1%	7.4%	9.0%	9.6%	13.1%	15.0%	14.8%	15.0%
<b>Food</b>	113.5	113.7	114.2	114.6	115.0	115.5	116.0	116.6	117.2	117.8	118.3	118.9
% Ch	3.6%	0.6%	1.8%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.0%	2.0%	2.0%
<b>Agricultural Chemicals</b>	81.2	80.8	80.5	80.4	80.4	80.4	80.4	80.2	80.0	79.7	79.5	79.4
% Ch	-0.9%	-1.7%	-1.5%	-0.5%	0.0%	0.0%	-0.1%	-0.8%	-1.2%	-1.5%	-1.0%	-0.7%
<b>Metal Ore Mining</b>	77.1	77.6	78.7	79.6	80.5	81.4	82.2	83.0	83.6	84.2	84.8	85.3
% Ch	7.3%	2.7%	5.8%	4.7%	4.6%	4.5%	4.0%	4.0%	2.9%	2.9%	2.9%	2.4%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2005**

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## **APPENDIX**

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## THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

$$\begin{aligned} \text{personal income} = & \text{wage and salary payments} + \text{other labor} \\ & \text{income} + \text{farm proprietors' income} + \text{nonfarm proprietors'} \\ & \text{income} + \text{property income} + \text{transfer payments} - \text{contributions} \\ & \text{for social insurance} + \text{residence adjustment.} \end{aligned}$$

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

# IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 4567.855 + 54.848*ID0IP2122\_2123 - 3665.535*(JULCNF/WPI10) - 15.156*(IPSG21/ENRM21) + 13.231*TREND$$

$$EEA\_ID\_2300 = 13650.426 + 493.542*ID0HSPRS1\_A + 423.036*ID0HSPRS1\_A(-1) + 352.530*ID0HSPRS1\_A(-2) + 282.024*ID0HSPRS1\_A(-3) + 211.518*ID0HSPRS1\_A(-4) + 141.012*ID0HSPRS1\_A(-5) + 70.506*ID0HSPRS1\_A(-6)$$

$$EEA\_ID\_3110 = 26358.836 + 60.245*MOVAV(IPSG311,4) - 236.379*IPSG311/EMN311$$

$$EEA\_ID\_3230 = 738.391 + 21.418*MOVAV(IPSG323,8) - 5.001*TREND$$

$$EEA\_ID\_3250 = 2372.476 + 19.414*MOVAV(IPSG3253(-1),4) - 1935.741*DUM951ON$$

$$EEA\_ID\_3320 = -1160.581 + 49.928*MOVAV(IPSG332,2) - 634.791*(JULCNF/WPI10) + 3.843*TREND$$

$$EEA\_ID\_3330 = 441.127 + 30.340*IPSG333 - 2.583*TREND$$

$$EEA\_ID\_3340 = -18419.262 + 26.865*MOVAV(IPSG3341,4) + 12.122*DUM911011* MOVAV(IPSG3341,4)- 91.317*IPSG3341/EMD334+327.402*TREND$$

$$EEA\_ID\_4200 = 6507.884 + 0.322*EEA\_ID\_44\_45-36.027*TREND$$

$$EEA\_ID\_44\_45 = 24657.973 + 152.568*MOVAV(YPADJ\_ID,4)/MOVAV(JPC,4)$$

$$EEA\_ID\_48\_49\_22 = -8384.375 + 0.844*EEA\_ID\_4200 + 4552.166*ID0NPT$$

$$EEA\_ID\_5100 = -5155.574 + 52.030*MOVAV(IPSN51112T9,6) + 20.159*MOVAV(IPSG51111,4) + 5158.240*ID0NPT$$

$$EEA\_ID\_52\_53 = -11251.499 - 6039.995*DUM981ON + 2178.101*(DUM9801004*MOVAV(SP500/SP500(-2),2) + 96.838*ID0KHU$$

$$EEA\_ID\_54\_55\_56 = -38052.026 + 155.554*YPADJ\_ID/JPC + 207.324*MOVAV(RADR,8)$$

$$EEA\_ID\_61\_62 = -48155.902 + 59653.632*ID0NPT + 82.041*YPADJ\_ID/JPC$$

$$EEA\_ID\_71\_72 = -49995.530 + 126801.480*ID0NPT-499.072*TREND$$

$$EEA\_ID\_8100 = 2057.874 + 49.419*MOVAV(YPADJ\_ID,2)/MOVAV(JPC,2) +1298.540*DUM931964$$

$$EEA\_ID\_DMANU = EEA\_ID\_WOOD + EEA\_ID\_3320 + EEA\_ID\_3330 + EEA\_ID\_3340 + EEA\_ID\_MFDNEC$$

$$EEA\_ID\_GOODS = EEA\_ID\_MANU + EEA\_ID\_2300 + EEA\_ID\_2100$$

$$EEA\_ID\_GV = EEA\_ID\_GVSL + EEA\_ID\_GVF$$

$$EEA\_ID\_GVF = -3266.790 + 1238786.989*EG91*(ID0NPT/N) + 4.863*TREND$$

$$EEA\_ID\_GVSL = EEA\_ID\_GVSLAD + EEA\_ID\_GVSLED$$

$$EEA\_ID\_GVSLAD = -4472.481 + 33689.989*ID0NPT + 0.306*MOVAV(ID0YPTXB(-4),4) - 3.494*DUM911034$$

$$EEA\_ID\_GVSLED = 8960.141 + 59587.259*ID0NPT*((N-N16A)/N) + 0.880*MOVAV(ID0YPTXB(-4),2)$$

$$EEA\_ID\_MANU = EEA\_ID\_DMANU + EEA\_ID\_NMANU$$

$$EEA\_ID\_MFDNEC = -3255.845 + 108.264*MOVAV(ID0IPMFDNEC,2)$$

$$EEA\_ID\_MFNNEC = 835.876 + 1.457*(CNCSR+CNOOR) + 26.113*MOVAV(IPSG322,2)$$

$$EEA\_ID\_NMANU = EEA\_ID\_3110 + EEA\_ID\_3230 + EEA\_ID\_3250 + EEA\_ID\_MFNNEC$$

$$EEA\_ID\_NONGOODS = EEA\_ID\_SV + EEA\_ID\_4200 + EEA\_ID\_44_45 + EEA\_ID\_GV$$

$$EEA\_ID\_SV = EEA\_ID\_48_49_22 + EEA\_ID\_5100 + EEA\_ID\_52_53 + EEA\_ID\_54_55_56 + EEA\_ID\_61_62 + EEA\_ID\_71_72 + EEA\_ID\_8100$$

$$EEA\_ID\_WOOD = 18067.858 + 129.567*MOVAV(IPSG321,2) - 7051.720*(JULCNF/WPI08) - 48.621*IPSG321/EMD321 - 61.106*TREND$$

$$ID0AHEMF = -3.875 + 15.315*(EEA\_ID\_DMANU(-1)/EEA\_ID\_MANU(-1)*JULCNF) + 15.286*(EEA\_ID\_NMANU(-1)/EEA\_ID\_MANU(-1)*JULCNF)$$

$$ID0CRCROP = -682937.435 + 13112.683*CRCROP + 1101452.593*WPI01$$

$$ID0CRLVSTK = -274428.892 + 20747.811*(CRCATCVS+CRDAIRY) + 7932.123*TREND$$

$$ID0EXFP = -57009.312 + 1064462.546*WPI01 + 19241.224*TREND$$

$$ID0HSPR = ID0HSPRS1\_A + ID0HSPRS2A\_A$$

$$\text{ID0HSPRS1\_A} = -40.687 - 0.728 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1), 4)) + \\ 143.540 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) + 0.336 * \text{ID0KHU}(-1) - 0.522 * \text{TREND}$$

$$\text{ID0HSPRS2A\_A} = 5.056 + 36.293 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) - \\ 0.229 * \text{MOVAV}(\text{RMMTGEXIST}, 4) - 0.003 * \text{TREND} * \text{RMMTGEXIST}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1\_A} / 4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A\_A} / 4$$

$$\text{ID0NB} = -9.239 + 37.574 * \text{ID0NPT} - 0.154 * \text{TREND}$$

$$\text{ID0ND} = 0.725 + 5.979 * \text{ID0NPT} + 0.009 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND}) / 1000$$

$$\text{ID0NPT} = 0.664 + 0.005 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA\_ID\_2300}) / 1000000$$

$$\text{ID0WBBF\$} = -90.970 + 275.743 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA\_ID\_MANU}) / 1000000$$

$$\text{ID0WBBMIL\$} = 14.851 + 277.580 * (\text{ID0NPT}/N) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA\_ID} - \text{EEA\_ID\_2300} - \text{EEA\_ID\_MANU}) / 1000000$$

$$\text{ID0WRWCC\$} = -106.480 + 2251.822 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = -10374.227 + 3644.946 * \text{ID0AHEMF}$$

$$\text{ID0WRWOTH\$} = -13193.381 + 2897.413 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -70.954 + 1.061 * (\text{YP}(\text{PAINT} + \text{ZADIV} + \text{YP}(\text{RENTADJ})) * \text{MOVAV}(\text{ID0YP\$}(-1), 4) / \text{MOVAV}(\text{YP}(-1), 4))$$

$$\text{ID0YFC\$} = -11859.941 + 0.966 * \text{ID0YFC\$}(-1) + 19021.597 * \text{WPI01}$$

$$\text{ID0YINV\_R\$} = -29839.875 + 0.852 * \text{ID0YINV\_R\$}(-1) + 56217.395 * \text{WPI01}$$



$$ID0YP = ID0YP\$ / JPC * 100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSI\$$$

$$ID0YP\$PC = ID0YP\$ / ID0NPT$$

$$ID0YPNF = ID0YPNF\$ / JPC * 100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$ / JPC * 100 / ID0NPT$$

$$ID0YPPC = ID0YP / ID0NPT$$

$$ID0YPRF\$ = 128.222 + 0.171 * ((ID0CRCROP + ID0CRLVSTK + ID0YTRF\$ + ID0YINV\_R\$ - ID0YFC\$ - ID0EXFP) / 1000) + 3.123 * TREND$$

$$ID0YPRNF\$ = 61.740 + 4.328 * YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\_R\$ / 1000)) / JPC * 100$$

$$ID0YRA\$ = -86.366 + 0.035 * ID0WBB\$$$

$$ID0YSI\$ = -28.292 + 2.279 * TXSIEC * ID0WBB\$ / YPCOMPWSD$$

$$ID0YSUP\$ = 4.306 + 1.623 * YPCOMPSUPPAI * ID0WBB\$ / YPCOMPWSD$$

$$ID0YTR\$ = 0.463 + 837.656 * (YPTRFGF + YPTRFGSL) * (ID0NPT / N)$$

$$ID0YTRF\$ = 19176.957 + 10953.587 * TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / EEA\_ID * 1000000$$

$$YPADJ\_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$, 4) + MOVAV(ID0WBBF\$, 4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFP\$	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Average annual wage
YPADJ_ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCSR	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain
weighted	
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM911011	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM911034	
DUM931964	
DUM9510N	
DUM98011004	
DUM9810N	
TREND	
EG91	Employment in federal government
ENRM21	Employment in mining
GFMLCWSS	Federal government defense personnel outlays
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 1997=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 1997=100.0
IPSG21	Industrial production index, mining, 1997=100.0
IPSG311	Industrial production index, food, 1997=100.0
IPSG321	Industrial production index, wood products, 1997=100.0
IPSG322	Industrial production index, paper, 1997=100.0
IPSG323	Industrial production index, printing, 1997=100.0
IPSG3253	Industrial production index, agricultural chemicals, 1997=100.0
IPSG332	Industrial production index, fabricated metal products, 1997=100.0
IPSG333	Industrial production index, machinery, 1997=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 1997=100.0
IPSG51111	Industrial production index, newspaper publishing, 1997=100.0
IPSN51112T9	Industrial production index, other publishing, 1997=100.0
JEXCHOITPREAL	Real US trade-weighted exchange rate with other important trading partners
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
JULCNF	Index of unit labor costs, nonfarm business sector, 1992=1.0
N	Population, U.S.
NP16	Population, U.S., aged 16 and older
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0

WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends

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